Annual Report of the Secretary of Commerce

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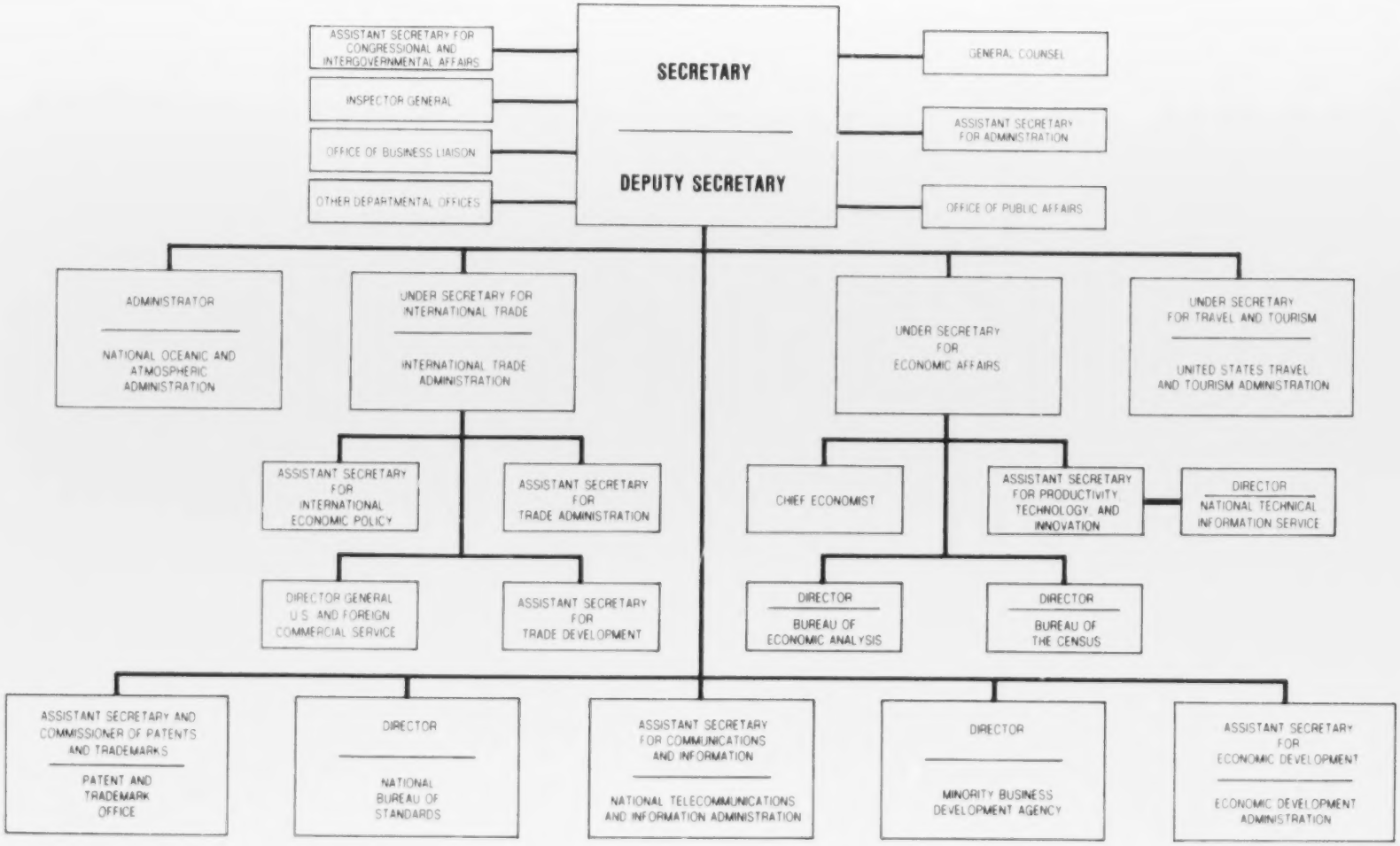
FY1985

U.S. DEPARTMENT OF COMMERCE


ASSISTANT SECRETARY FOR CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS
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OFFICE OF BUSINESS LIAISON
OTHER DEPARTMENTAL OFFICES
SECRETARY
DEPUTY SECRETARY
GENERAL COUNSEL
ASSISTANT SECRETARY FOR ADMINISTRATION
OFFICE OF PUBLIC AFFAIRS
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UNDER SECRETARY FOR INTERNATIONAL TRADE
INTERNATIONAL TRADE ADMINISTRATION
UNDER SECRETARY FOR ECONOMIC AFFAIRS
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UNITED STATES TRAVEL AND TOURISM ADMINISTRATION
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DIRECTOR GENERAL U.S. AND FOREIGN COMMERCIAL SERVICE
ASSISTANT SECRETARY FOR TRADE DEVELOPMENT
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DIRECTOR BUREAU OF THE CENSUS
ASSISTANT SECRETARY AND COMMISSIONER OF PATENTS AND TRADEMARKS
PATENT AND TRADEMARK OFFICE
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NATIONAL BUREAU OF STANDARDS
ASSISTANT SECRETARY FOR COMMUNICATIONS AND INFORMATION
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION
DIRECTOR
MINORITY BUSINESS DEVELOPMENT AGENCY
ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT ADMINISTRATION

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DEPARTMENT OF COMMERCE

Malcolm Baldrige, Secretary
Clarence J. Brown, Deputy Secretary
B. Jay Cooper, Director of Public Affairs

FOREWORD

The Commerce Department continued to improve its service to the public and the business community in 1985.

We improved service to exporters by speeding up the processing of export license applications. Less than 5 percent of the applications received were still pending at year's end. Eighty percent of all license requests, with a total dollar value of more than $53 billion, were approved. The Department's Office of Export Administration returned another 16 percent of the applications for additional information and denied less than 1 percent of them.

At the same time, we improved our efforts to ensure that sensitive goods and technology do not fall into the wrong hands. The number of checks on potentially illegal shipments were up 80 percent. As a result, we kept more than $1 billion in strategically controlled technology from being diverted to adversary nations.

America's inventors and entrepreneurs also benefitted from the better service. The United States Patent and Trademark Office (USPTO) met the administration's goal of reducing the average time for registering a trademark from 24 months in 1980 to 13 months last year. The USPTO received 64,677 cases and disposed of 86,318. The Patent Office also is on target in its campaign to reduce the time necessary to issue a patent to 18 months by 1987.

The Census Bureau began preparing for one of the Department's most important undertakings, the 1990 census. We want to make the next census one of the most complete and accurate ever.

In an effort to make that happen, the Census Bureau conducted test censuses in Jersey City, New Jersey and Tampa, Florida to find ways to improve data collection and convert information from questionnaires into readable forms by machines or computers. The Bureau will conduct other tests aimed at improving the 1990 census this year.

All of these endeavors were part of the goal we set four years ago to make the Commerce Department one of the best managed in the Federal Government. With the cooperation of the Department's thousands of employees, we are succeeding.

Malcolm Baldrige
Secretary of Commerce

OFFICE OF THE SECRETARY

OFFICE OF ADMINISTRATION

The Assistant Secretary for Administration is responsible for the administrative management of the Department and is the principal adviser to the Secretary on such matters as budget, program evaluation, personnel, management and organization, financial management and accounting, automated data processing and systems, procurement, administrative services, civil rights, financial assistance management, internal security, printing and publications and emergency readiness.

Building on a four-year program of management improvements which has placed Commerce among the leaders in the Federal Government, the Department this year achieved two objectives: took a lead role in the President's program for better management throughout the government and consolidated and extended the improvement program within Commerce.

It directed an interagency study for the President's Council on Management Improvement of the provision of consolidated administrative support throughout the government. Using a case study approach, the study team described the successes and failures of agencies' efforts to consolidate services on an inter- or intra-agency basis. Consolidated regional support units were examined along with cross-servicing agreements, nationwide service centers and related arrangements. A team identified more than 700 existing arrangements. Results of its study were published as **New Perspectives on Federal Management. An Inventory of Shared Administrative Support** lists the federal organizations that are providing shared support on an inter- or intra-agency basis. **Case Studies of Shared Administrative Support** describes the development of 15 shared support arrangements, ranging from ADP to warehousing. **A Guide for Sharing Administrative Support** is a "how-to-do-it" manual based on the lessons learned from the 15 case studies. **Assessing and Improving Productivity** presents guidelines or standards for staffing administrative support organizations. These publications have generated interest across a broad spectrum of federal, state and local, private and academic organizations.

The Departments of Commerce and Agriculture installed a cross-servicing arrangement under which Commerce's payroll and personnel systems are operated by USDA's National Finance Center. Among the first of its kind, the arrangement will benefit both Departments through economies of scale and sharing of technical expertise. Adopting the Agriculture system enables Commerce to obtain the services of a modern reliable source thus avoiding the large amounts of time and expense required to develop its own system. Annual savings of more than $700,000 are anticipated beginning in FY 1987.

Payroll processing for the NOAA Officers Corps was successfully transferred to the U.S. Coast Guard thus improving services to this group of special-purpose DoC employees.

Internal management

An administrative management review involving all elements of the Department included:

- Identification of administrative staffing resources.
- Establishment of an automated baseline to facilitate future monitoring.
- Development of management improvement plans to continue and refine the initiatives installed during the first term of the administration.

The review verified that the 1981 reductions were effective and remained in effect. It also allowed the targeting of further reductions in functions affected by the Regional Administrative Support Centers and by increased automation of administrative functions.

A comprehensive review of administrative forms used in the Department identified more than 1,500 separate forms of which 500 were abolished and 160 revised. These actions will result in cost avoidance of more than $450,000. The success of this review stimulated the larger operating units to conduct reviews of their program forms, which in turn resulted in the elimination of 1,882 forms or 22 percent of the 8,500 forms reviewed.

Better safety training and operation and more aggressive benefits program management resulted in a $50,000 reduction in the cost of workers' compensation for on-the-job injuries and illnesses compared to the preceding year. Commerce was the only Cabinet department to show such a reduction during the year.

The Department continued to improve its MBO-based planning and management system including:

- A review by senior agency managers of 1981's Department goals resulted in new goals and development of long-range plans for each goal.
- Use of intra-agency cost-cutting objectives were employed on foreign trade barrier reduction, intellectual property protection, commercialization of federally-developed technology, increased minority business participation in the telecommunications industry and promotion of U.S. fisheries products abroad.

Technology application

In a continuing program to take full advantage of technology for administrative operations, the Department:

- Developed an automated Real Estate and Space Management Information System. A short-range system accounting for facility work space is operational. The next stage supporting space reduction planning will be operational by the end of 1985.
- Began installation of the Commerce Automated Procurement System which includes small purchasing, contract tracking, contract document preparation and procurement data.
- Expanded the Information Technology Planning process to include telecommunications resources and to provide added emphasis on major information systems.
- Opened a joint National Bureau of Standards/ National Oceanic and Atmospheric Administration Scientific Computer Center in Gaithersburg, MD. The center includes a class VI supercomputer and a nationwide access network. It will be used by both agencies to work on scientific problems involving high speed computations or large quantities of data. An example is mathematical modeling to predict the behavior of complex changing systems such as the weather. Use of the consolidated approach to establishing the center saved the Department $24 million.
- Continued to improve the Decision Analysis Center which provides quantified computer-based planning and analysis services to line managers as well as top management.
- Introduced a laser printing system that produces high-quality printed documents from a wide variety of sources including tape and computer disks. The system reduces paperwork bulk, provides faster turnaround and reduces costs.

Financial management

Twenty-six cash management initiatives developed by the Department units helped to exceed the FY 1985 goal of $1,102,000 in savings.

Collection of debts owed the Department exceeded the goal of $196 million. Commerce was one of the first federal agencies to report debt information to credit reporting bureaus, $868 million in commercial debts, of which $228 million was delinquent. The Department is also using credit reports in prescreening applicants for financial assistance and contracts.

The Department reduced outstanding travel advances held by employees by 25 percent through more effective monitoring of travel reports and through the introduction of some 4,000 government-issued Diners Club cards.

All grants, loans, loan guarantees and cooperative agreements are reviewed, prior to award by the individual units, by the Financial Assistance Review Board (FARB). FARB reviewed 2,115 proposed awards totaling approximately $507 million and produced savings and cost avoidances of $10 million.

Performance appraisal

A major Department evaluation of a new performance appraisal system included 900 survey questionnaires, management interviews and employee roundtable discussions. The system is working well and has resulted in better communications of work goals and accomplishments with less paperwork. The appraisal system is tied to the Department's goals through the MBO system.

OFFICE OF THE GENERAL COUNSEL

The General Counsel (GC) is the Secretary's chief legal adviser and is responsible for providing the Secretary and heads of operating units with advice and guidance on all matters involving the programs of the Department other than the issuance of patents and the registration of trademarks. Through the Office of the General Council (OGC), the GC supervises the activities of the Assistant General Counsels and the heads of all legal offices in the Department's operating units.

Until recently, legal issues were not often perceived as crossing agency lines within the Department. Patent, telecommunications and trade were among the issues that tended to be viewed as lying within the "jurisdiction" of a particular operating unit. However, the challenges posed by competition, fair and otherwise, from other nations to U.S. economic leadership has resulted in a blurring of artificial distinctions. The effect of U.S. intellectual property laws and those of America's trading partners and international trade issues concerning purchase of U.S. telecommunications equipment by foreign buyers are examples of issues that are now recognized to affect the program interests of several DoC components. As a result, more issues require resolution at the Departmental level and OGC, which is in a unique position to resolve differences among bureaus, has become involved in a broad range of policy issues.

In recognition of this, the GC was named to a number of Working Groups of the Cabinet-level Economic Policy Council and Domestic Policy Council. These include Working Groups on antitrust policy, the commercialization of space, government patent policy and tort reform.

The Working Group on Antitrust Review is responsible for a thorough review of the nation's antitrust laws in light of contemporary economic conditions. The Group is reviewing legislation prepared by OGC that would (1) revise Section 7 of the Clayton Act which unreasonably bans many mergers that would enhance efficiency; and (2) give the President authority to exempt firms in an industry injured by imports from the antitrust laws for a period of time. The GC has also sought the Group's endorsement of legislation to relieve business from the harshness of the treble damage rule.

The Commercial Space Working Group is chaired by the Deputy General Counsel. It is responsible for analyzing various federal policies to determine their impact on space commercialization. As part of this charter, OGC has participated in studies of the impact of tax law, antitrust policy, patent law, and insurance availability on competitive opportunities for space commercialization.

The Working Group reviewing tort policy is new. Here the GC represents the Department with respect to all issues concerning product liability reform; compensation for vaccine-related injuries; professional liability of physicians; liability of government contractors, particular industries, governmental units and governmental officers and employees; and matters pertaining to the availability of adequate levels of liability insurance in the private sector.

The Working Group reviewing government patent policy is also new. Through its membership, the GC will review federal policies to encourage the transfer of technology developed at federal institutions or with federal funding to the private sector where it can be put to commercial application.

OGC developed the Department's legislative program for the First Session of the 99th Congress. In addition to proposals to reauthorize or improve the administration of Departmental activities and to remove barriers to efficient mergers, the program contained legislation to (1) improve the Department's ability to collect information relating to the impact of imports on the textile industry, (2) renew the Export Administration Act and (3) protect American intellectual property rights by clarifying the relationship between the antitrust and patent laws; reforming the Tariff Act of 1930 as it pertains to unfair trade practices, many of which involve intellectual property rights; and improving the protection accorded process patents under U.S. law. The first of these is under active review by the appropriate committees of Congress, the second was enacted, and the third is under review by various federal agencies as part of the President's trade initiatives which were announced in September 1985.

In addition, OGC prepared Congressional testimony for the Secretary on a wide range of topics including the economic impact of the budget and trade deficits, legislation that unreasonably restricted imports of textiles and legislation to extend the research and development tax credit. It reviewed more than 120 pieces of Congressional testimony by Departmental witnesses for their consistency with administration policies and processed more than 800 requests by the Office of Management and Budget and committees of the Congress for views on pending legislation.

OGC also conducted a number of other activities designed to help the Department achieve its goals of enhancing U.S. competitiveness and stimulating productivity, technology and innovation.

Regulatory reform remained a particularly active area as the administration remained committed to its policy of relieving business from the burden of unnecessary regulation. OGC participates in this by virtue of its responsibility for reviewing and clearing Departmental regulations before they can be published in the **Federal Register,** either for comment or in final form, as well as its responsibility for preparing Departmental comments on the rulemaking activities of other federal agencies. Approximately 200 rulemaking proceedings were reviewed. These included national ambient air quality standards, ocean incineration, automobile fuel economy standards and biotechnology research.

The greatest claim on OGC resources came from trade-related issues. There has been increasing recognition that many "domestic" issues have very serious implications for international trade. Analyzing legislation and regulations for trade impact was only a part of OGC's trade-related responsibilities. Other duties included assisting the International Trade Administration in implementing and interpreting the Export Trading Company Act, the Export Administration Act (including its antiboycott provisions), the antidumping and countervailing duty (AD/CVD) laws, the General Agreement on Tariffs and Trade and the Multilateral Trade Negotiations and related Codes.

OGC provided the following services in support of the Department's trade-related programs and goals:

- Assisted in intensifying export control efforts, handled a growing litigation caseload and negotiated an agreement between the Department and the Customs Service to coordinate enforcement activities.
- Provided substantial technical and analytic assistance in support of efforts by the International

Trade Administration to improve the Distribution License Program.

- Provided detailed legal guidance on the several statutes affecting interagency consideration of initiatives to remove restrictions on exports of petroleum products and certain crude oil.
- Provided legal advice in approximately 300 AD/CVD investigations and administrative review proceedings, including complex cases on steel products and textiles from many countries and assisted the Department of Justice in litigating 146 lawsuits involving AD/CVD determinations.
- Provided legal analyses and negotiated the concurrence of the Department of Justice on 44 Export Trade Certificates of Review under Title II of the Export Trading Company Act (ETCA) of 1982.
- Prepared for the **Federal Register** final regulations and a second edition of antitrust guidelines implementing the ETCA.
- Prepared legal services in connection with approving and/or closing 12 loan and loan guarantees in connection with the Trade Adjustment Assistance Program.
- Served as legal counsel to the Commerce-chaired interagency Committee for the Implementation of Textile Agreements (CITA) and provided continuing legal counsel on negotiating multilateral and bilateral international agreements concerning textile imports.
- Supported efforts by the United States Trade Representative to amend and clarify the application of the Foreign Corrupt Practices Act.
- Provided legal counsel and representation in the negotiation of bilateral investment treaties with a number of nations, including the People's Republic of China and Turkey, to eliminate discrimination against U.S. investments abroad.

In addition, the GC served as counsel to the Steel Advisory Committee and participated as the Secretary's representative on the interagency group on steel of the Cabinet Council on Commerce and Trade. The Steel Advisory Committee was formed to take a fresh look at problems facing the steel industry in areas such as trade, labor issues, capital formation and antitrust policy. The interagency group was established to analyze U.S. tax, regulatory and antitrust laws and policies which could hinder the ability of the steel industry to modernize.

OGC also provided a wide array of legal services in connection with Department personnel law, contracts, interpretation of administrative statutes and regulations, access to records and information, use of appropriated funds and general management issues. OGC represented the Department in more than 200 litigated personnel matters before the Merit Systems Protection Board, Equal Employment Opportunity Commission, Federal Labor Relations Authority and the federal courts. The Department won about 95 percent of these.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA), Office of the Secretary, informs the Department's many specialized constituencies and the general public of Commerce policies, programs and services. The Director of Public Affairs is the press and public affairs adviser to the Secretary. OPA plans, develops and coordinates the Department's public information program. A Public Affairs Council (PAC), composed of the public affairs representatives from the operating units, is a forum for exchanging information and coordinating Department public affairs matters. OPA also provides the primary liaison with other government agencies, including the White House, on public information matters.

OPA coordinates Department inventories, surveys of publications, audiovisual products and equipment in a continuing effort to reduce such costs. A Publications Review Committee and an Audiovisual Review Committee control Department expenditures in these areas. Resulting fiscal year cost savings and avoidance amounted to $132,450 for publications and $336,298 for audiovisuals.

OPA's News Division issued 515 news releases and six news features. It produced 251 issues of the daily **Commerce News Digest** for internal distribution. It responded to 15,500 public and media inquiries and fulfilled 2,800 media requests for Department publications. It arranged nine news conferences for the Secretary, distributed 400 reports and 75 speech texts and statements. The photography section entered into an agreement with the Department of Agriculture in addition to providing Department of Commerce photo service. The audio visual section provided audio visual equipment and service department-wide.

The Broadcast Section transmitted 256 news reports and excerpts from news conferences to broadcasters. It supplied 52 weekly radio news features entitled **A Growing Nation** to nearly 490 radio stations. Additionally, it recorded and edited 12 **The Sea and the Air** programs and 3,920 tapes duplicated for distribution by the National Oceanic and Atmospheric Administration. Public service announcements were produced for several Commerce units for distribution to hundreds of radio stations.

OPA's public liaison efforts included briefings for outside groups, the first Department briefing for

student interns, production of an educational videotape for the Department's adopted school as part of the White House Initiative Partnerships in Education Program, and support for commemorative weeks and events including MEDWEEK, Operation Care and Share and National Volunteerism Week.

OPA published the Secretary's FY 1984 **Annual Report to the Congress** and planned production of the present edition. It also continued to publish a monthly employee newsletter, **Commerce People,** to promote understanding and cooperation within the Department.

OFFICE OF CONSUMER AFFAIRS

The Office of Consumer Affairs (CAO) helps businesses improve their customer relations through partnership projects and publications about consumer issues. It cooperates with voluntary standards organizations to improve consumer products through the use of standards.

CAO completed the evaluation of its pilot project to manage a Consumer Sounding Board (CSB) in Montgomery County, Maryland During this project, the sounding board assisted industry groups by providing consumer views on six topics. CAO transferred management of the CSB to the local government consumer affairs office and helped the consumer affairs department in Putnam County, New York, form a CSB. Each of these CSBs held its first meeting in September to comment on control symbols for use on outdoor power equipment. CAO will continue to help these boards by locating topics for meetings.

CAO chaired the committee of the American Society for Testing and Materials (ASTM) which developed a voluntary standard for preparing guides for using consumer products safely. This standard received final approval. CAO was an honorary cosponsor of the National Conference on Safety for Older Consumers sponsored by ASTM and the Consumer Product Safety Commission and provided speakers and exhibits.

The Society of Consumer Affairs Professionals in Business presented CAO an award for its Plain English Program which began in 1983 to encourage businesses to use plain English in consumer contracts and publications.

CAO completed its second year of working with the Document Design Center (American Institutes for Research) to help it prepare a bimonthly bulletin, **Simply Stated in Business.** This bulletin includes articles about corporate plain English programs and other language simplification news. After evaluating this two-year project, CAO decided to continue helping the Center by providing 50 percent of the articles for the bulletin.

The Office cooperated with the American Gas Association to prepare a slide show and packet about the benefits for business of plain English programs. CAO presented the slide show at workshops for the American Gas Association, the New York State Gas and Electric Company, the Federal Reserve Board and the Office of Personnel Management.

CAO helped resolve approximately 650 consumer complaints by mediating with businesses. It also responded to 660 consumer inquiries and provided information requested by 650 businesses. CAO prepared its first annual report on constituent correspondence received during FY 1984, as well as quarterly reports for FY 1985. These reports were distributed to top management within the Department. The top five subjects for complaints received in FY 1984 were automobile, mail order, banking and credit, publications and equipment or tools. CAO coordinated with the Department's General Counsel on two complaints where the Department's name was used incorrectly in advertising claims. Representing DoC, the Office was one of the agencies selected by the Federal Consumer Affairs Council to be included in a study of complaint handling in the Federal Government.

Within the Department, CAO manages the Consumer Council which has 17 members representing Departmental offices. To inform Council members, CAO held seven meetings on such topics as the Federal Trade Commission rules on labeling textiles and apparel and the effectiveness of the Trade and Tariff Act on consumers. In cooperation with the Council, CAO prepares a report each month about DoC's consumer-related activities for the Special Adviser to the President for Consumer Affairs. This report is also distributed widely within the Department.

In cooperation with the Council, CAO prepared and published in April its **Inventory of U.S. Department of Commerce Consumer Services.** This booklet tells about DoC programs that benefit consumers and about information available from DoC units. It was distributed to consumer affairs offices, consumer organizations, businesses and Commerce officials. In cooperation with the Office of Congressional Affairs, the **Inventory** was sent to all Members of Congress.

During National Consumers Week in April, CAO coordinated 17 exhibits in the lobby of the Hoover Building. Exhibits described agency programs and consumer publications were available for the public. The Office also sponsored slide shows for employees and the public about consumer topics and Commerce programs.

CAO, with the International Trade Administration, represented DoC on the interdepartmental task force which prepared U.S. comments on the draft U.N. Guidelines for Consumer Protection. These guidelines were adopted by the United Nations in April.

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

The Office of Congressional Affairs (OCA) informs and advises Commerce officials on legislation and is responsible, with the Office of the General Counsel, for the Department's legislative program. It coordinates all Department activities affecting the Congress.

The Office of Intergovernmental Affairs (IGA) works with governors, state representatives, mayors, elected officials at every level of government and their national organizations. It handles casework from state and local representatives and assists the White House Intergovernmental Affairs Office. IGA monitors Commerce-related legislation of importance to state and local officials and provides opportunities for them to participate in policy formulation.

IGA has established the Department of Commerce-State Initiative on International Trade, Technological Innovation and Economic Growth. The goal of this effort is to further implement President Reagan's federalism initiative. A tailor-made state economic profile, which measures economic performance over time, will assist state policymakers in designing programs that promote economic growth and diversification. The DoC-State initiative will also train state officials in the preparation and use of the profile and other available Departmental resources.

OCA assisted with the progress of many of the administration's legislative goals during this first year of the second term, such as: Federally-uniform product liability, continuance of the research and development tax credit, transfer of useful federal technology to the private sector for commercialization, and the lifting of a ban on Soviet furskin imports with the expectation of a corresponding opening of Soviet non-strategic markets to U.S. exports. Opposition was voiced to protectionist legislation for textiles and footwear as well as unilateral, counterproductive trade sanctions on the Republic of South Africa. Legislative efforts and the results included:

- Renewal through FY 1989 of the Export Administration Act (EAA) signed into law by President Reagan on July 12, 1985 as P.L. 99-64. This authorization, under Congressional consideration for three years, enhances overseas commercial competitiveness and safeguards U.S. national security. An example of this balance is the contract sanctity provision which guarantees that contracts entered into by U.S. exporters will not be broken for foreign policy reasons unless the strategic interest of the U.S. is at risk. To further help exporters, this law controls only "high-tech" shipments to western trading partners, liberalizes control of sophisticated goods that can be easily purchased elsewhere in the world and increases the licensing system budget by 50 percent to reduce processing time by one-third. To ensure national security, P.L. 99-64 grants DoC enforcement agents additional police powers, institutes severe criminal penalties to better stem technology transfer to the Soviet bloc, allows application of foreign policy controls on the overseas subsidiaries of U.S. corporations and enhances a program to eliminate foreign availability of national security controlled items.
- Complete authorization and initial funding for the commercialization of the National Oceanic and Atmospheric Administration's Land Remote Sensing Satellite (LandSat) system. The President signed the final enabling legislation on July 11 as P.L. 99-62. It authorizes $295 million for the private sector transfer in FY 1985-89, as well as P.L. 99-88 on August 16, actually providing $75 million in FY 1985 and $50 million in FY 1986 as part of the FY 1985 Supplemental Appropriations Act. A contract between the Federal Government and the EOSAT Corporation, a private venture by RCA and Hughes Aircraft, has been signed. Federal support will help provide for the construction of two new LandSats, a ground station, initial operation of the system itself and necessary launch services on the space shuttle. Further subsidization is not anticipated.
- "Freeze-level" reauthorization of the National Bureau of Standards (NBS), signed by the President on July 29 as P.L. 99-73. Initially, the Senate version was $10 million over budget while the House bill eliminated or cut back three of the administration's four NBS initiatives, only providing for process and quality control. However, the conference report cleared by both Houses on July 15 brought the overall budget back in line and restored the biotechnology and advanced ceramics initiatives with future accommodations reached on the cold neutron research facility.
- Senate passage of the visa waiver provision in S. 1200, the Immigration Reform and Control Act. This conditional waiver of visa requirements for visitors from eight presidentially-selected countries who intend to stay in the U.S. no longer

than 90 days and have a non-refundable return ticket, would yield an additional 450,000 visitors to the U.S. and reduce the travel deficit by an estimated $900 million. A similar provision has been made part of immigration reform in the House.

- Approval of a price increase for NOAA charts and maps by both houses of Congress. As part of the administration's overall effort to increase user fees where a service provides special benefits to identifiable recipients, the Commerce Secretary would be authorized to base prices on data base management and compilation costs in addition to the cost of printing and distribution. This allows recovery of approximately 50 percent of costs attributable to the charting programs. The language is part of both the House and Senate reconciliation packages.

Finally, OCA will work closely with Congress to implement President Reagan's Trade Policy Action Plan. This will include support for legislation to reform the Foreign Corrupt Practices Act to reduce export disincentives, strictly and fully protecting process patents like those for products, restoring patent terms for agricultural chemicals as is done for pharmaceuticals when federal regulations delay marketing and eliminating Freedom of Information Act release of U.S. trade secrets. OCA will also consult closely with the Hill regarding the President's newly established International Trade Strike Force headed by Secretary Baldrige. The Strike Force will identify unfair foreign trade practices and take actions necessary to counter and eliminate them.

OFFICE OF BUSINESS LIAISON

The Office of Business Liaison (OBL) promotes cooperative working relationships and assures effective communications between the Department and the business community. It seeks to make the business community aware of Department and administration resources, policies and programs and to keep officials aware of interests and issues of concern to business. It promotes business involvement in Departmental policy-making and program development. OBL also provides technical assistance to businesses desiring help in dealing with the government and serves as the focal point for all Department units' contact with the business community.

The Office of Business Liaison continued its successful breakfast and luncheon meeting series with the Secretary, Deputy Secretary and other senior officials. Meetings were held on a regular basis with groups such as the Business-Government Relations Council, Women in Government Relations and the Amrican Society of Associations Executives. More than 600 business representatives met with Department officials for discussions on administration policy and Commerce programs. These contacts have been effective in the exchange of information between the administration and business.

In addition, OBL coordinated a number of briefings for individual groups from trade associations, chambers of commerce and corporations. During the past year, OBL arranged 15 briefings which brought an additional 350 business executives into the Department to learn of its programs and services and for discussions of specific issues.

The Office continued to arrange presentations by Department officials in response to requests from business organizations and trade associations for speakers at briefings, annual meetings and conventions. It also arranged for participation by senior Department officials at briefings sponsored by the White House Office of Public Liaison. Combined, these efforts reached an audience of several thousand business representatives.

OBL's outreach program for women in business increased in 1985. A regular monthly breakfast meeting series was established with Women in Government Relations, bringing their members to the Department for discussions with senior officials. Another series of briefings was held for the National Association of Women Business Owners on the services provided by the Department of interest to its members. In all, nearly 300 women in business or business-related fields attended events arranged by OBL. Secretary Baldrige was the keynote speaker at the annual meeting of Women in Government Relations and the Deputy Secretary addressed the annual meeting of the Capital Area Chapter of the National Association of Women Owners. The office added to its list of women's business groups and continued to regularly send them notices of Department programs.

OBL's Roadmap service, which answers business questions about the government, provided technical assistance on more than 6,500 inquiries, mostly from small business. These inquiries, by telephone, mail or personal visit, concerned questions about federal programs, services and regulations. While Roadmap does not serve as an advocate for individual businesses nor serve to intervene on behalf of a business, the program has been used increasingly by businesses and trade associations as a guide to the federal bureaucracy. It has been especially helpful for businesses without Washington representation who are in need of prompt and responsible answers to questions. The average response time to written inquiries was less than six days; less than 24 hours for telephone inquiries.

The orientation program continued to provide open communication and discussion between business and government. During the year, 15 meetings were held bringing more than 889 key leaders of national trade associations and major business firms into the Department for sessions with senior Commerce officials. These meetings focused on establishing direct contact with Commerce's primary constituency, U.S. business. Orientation sessions have educated the business community on administration initiatives and Department programs and services and they have acquainted Commerce officials with the business perspective.

OBL organized a number of special meetings to obtain the views of the business community on a variety of key issues including export administration, productivity, product liability and international competitiveness. OBL also monitored some 229 business and trade publications and expanded its contacts to include 525 trade associations and 363 corporate Washington offices to exchange information and keep regular communication lines open.

Its Issues program identified and tracked major cross-sectoral issues of critical concern to the U.S. business community and provided regular reports to senior Department officials on the views of business.

OBL revised its Business Services Directory which is distributed to the nation's business community. The Directory is a summary of the major offices and units of the Commerce Department.

In addition to coordination with the White House, OBL worked with the staff of the President's Commission on Industrial Competitiveness and consulted with the Minority Business Development Agency on National Minority Enterprise Week. OBL coordinated the Department's support and involvement with the White House Office of Private Sector Initiatives and the White House Conference on Small Business.

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General (OIG) contributes to the management of the Department through its audits, inspections and investigations. Audits are of three types: management (internal), contract, grant and loan (external), and automatic data processing system audits. Management audits look at the efficiency, effectiveness and economy of Department programs, operations and activities. External audits review Department contracts, grants, cooperative agreements, loans and loan guarantees. They check compliance with regulations, laws and award terms; adequacy of accounting and internal controls; allowability of costs; and how well a project achieved the intended results. ADP system audits assess the system design; validity of requirements; cost control; security of program, equipment and installation; and system documentation.

Inspections are used to supplement audits. They are a "snapshot" approach to evaluating agency operations, activities, or Commerce-funded organizations. Much less comprehensive than audits, they rely more on observation and interviews and are usually unannounced. They give agency managers timely information about current operations, including problems that exist and problems that are anticipated.

Investigations are authorized inquiries by OIG special agents. Most are reactive—conducted in response to an allegation that someone has violated a federal criminal law or administrative regulation. Others are proactive—a look at programs we think are particularly vulnerable to fraud or abuse to develop theories about how someone could exploit that vulnerability. OIG then devises procedures to test the theories and prove or disprove them.

Traditionally, we have pursued fraud cases toward criminal disposition. Realizing that these can result in substantial dollar payoffs for the Department, OIG began devoting resources to pursuing civil remedies as well. This approach requires coordinating with agency program managers, the Department of Justice and OIG's own auditors, investigators and legal staff. At the end of FY 1985, OIG had civil suits pending totaling more than $45 million. Disposition of these cases will be particularly rewarding because of the extensive resources devoted to them and the lengthy time span involved.

OIG issued 1,111 audit and inspection reports this fiscal year. As a result of OIG recommendations, management committed to recover or to more efficiently use $45.6 million. OIG's work also led to 11 convictions, 18 indictments and 24 administrative sanctions.

Audits

OIG completed a comprehensive audit of the Economic Development Administration's Emergency Jobs Act program which used the Title I Public Works program as a funding vehicle. Twenty-one of 82 grant reviews resulted in recommendations for award termination or partial deobligation of funds because of grantee violations of law, regulations, or grant agreements. The savings from these recommended actions will total more than $14.7 million. OIG concluded that the program had not realized the major goals specified in the legislation—immediate jobs for the unemployed and rapid disbursement of funds:

- The program will create only about 294 years of employment for previously unemployed individuals and these few cost the taxpayer nearly $334,000 per job.
- Twenty-two months after the Jobs Act was passed, EDA had disbursed only $54 million of the $100 million appropriated. OIG estimates that no more than $3.5 million (3.5 percent) of this will eventually trickle down to the target group, the unemployed and underemployed.

Auditors concluded that three things caused the failure: the timing of the Act and appropriation relative to the construction season; the unsuitability of Public Works projects to a program calling for quick results; and the way EDA chose to administer the program. EDA disagreed with the characterization of the program as a failure, maintaining that the 27-project sample on which the audit projections were based was too small to allow accurate conclusions to be drawn.

Since EDA applied its standard Public Works policies and procedures to the Job Act program, OIG reasoned that the same weaknesses might exist in the Public Works program. OIG therefore extended its audit to EDA's open inventory of 1,000 Public Works grants. As of September 30, OIG had reviewed 121 Public Works projects and recommended termination or partial deobligation of 24 of them, totaling about $19.54 million in federal funding. EDA concurred in four of the recommendations so far; terminations and deobligations for the four will total $3.82 million in federal funding.

The International Trade Administration's Trade Adjustment Assistance program helps firms recover from import injuries so they can again be competitive and self-sustaining. OIG sampled 370 firms certified for assistance in 1982 and 1983 and found that more than 72 percent (269) dropped out of the program before they received any assistance. Another 77 firms were scheduled to receive assistance but would probably not recover. The remaining 24 firms would probably improve or stabilize but the gains of only 13 of these would be directly attributable to the TAA program. The sample indicated, then, that despite $46.5 million expended in the two years, 96.4 percent of certified firms would not be effectively assisted. OIG concluded that even if assistance procedures were improved, the program could not overcome the negative economic and market conditions that were creating U.S. import problems and therefore did not seem justified. Elimination would save at least $25 million in annual appropriations. Since ITA had requested no funds for FY 1986, OIG made no recommendations. The Assistant Secretary for Trade Development did not disagree with those conclusions but suggested that a further and later sample of loans processed by ITA might be a valuable addition to the report. The OIG sample included loans processed at least partly during EDA's administration of the program which was less stringent and ended in October 1981.

The Department has more than 400 imprest funds valued at $2.4 million. With a one-month turnover rate, these funds could generate $28 million in expenditures each year. The same easy accessibility that makes imprest funds a quick and convenient way to handle small purchases and travel advances also makes the funds unusually vulnerable to fraud, waste and abuse. To counter concern raised by recent imprest fund reviews, the OIG revised and reissued its Fraud Information Bulletin on imprest funds. The bulletin discussed fraud schemes and abuses observed in reviews and outlined actions agencies can take to prevent them.

The cost of manually gathering and processing decennial census data escalated from $221 million in 1970 to more than $1 billion in 1980. The cost of the 1990 census could approach $3 billion. The Census Bureau's management objective relating to cost control is to "conduct the 1990 census without increasing the unit cost per household in 1980 dollars." With this in mind, OIG reviewed the 1990 Census Cost Model and made recommendations to improve its usefulness. OIG also recommended that decennial planning be reported to the President as a major internal control weakness. A follow-up review showed that only one of OIG's recommended actions was completed as planned—the Bureau had issued a decennial master plan in February 1985. OIG repeated an earlier recommendation that outside contractor assistance be called on to help prepare life-cycle documentation. OIG also asked for a commitment from Census management to reduce 1990 expenditures since substantial resources have been devoted to streamlining the census-taking process. In response, Census is strengthening its ADP planning group and will develop a cost savings action plan.

Inspections

An inspection team visited the International Trade Administration's Regional Export Development Office in Bonn, West Germany, to see if the office had provided the coordination, management and support envisioned by ITA when it created "REDO-Europe" in 1982. The office was to provide the full range of export promotion and marketing services needed by Foreign Commercial

Service officers: (1) coordinating trade promotion schedules throughout Europe, (2) assisting in budget development, (3) promoting and assisting with exhibitions, (4) locating or creating suitable facilities for promotional events and (5) bringing greater fiscal accountability to the region. Through extensive interviews, the inspection team found a widespread perception that REDO-Europe was unnecessary. Comments revealed a general lack of confidence in REDO capabilities, some confusion over its role and some frustration over its procedures. Although REDO-Europe stood ready to assist, overseas posts had no mandate to take advantage of its services. Nor had Washington headquarters provided the guidance and direction needed. For example, a promised manual on fiscal policies and procedures was not provided. The IG recommended that the Director General, US&FCS, assess the need for retaining REDO-Europe. If the concept could be salvaged and effectively administered, the IG believed significant changes were needed.

The inspection team was impressed by the commitment and spirit of the country teams—both U.S. and foreign national employees. The inspectors applauded recent efforts by US&FCS to improve recruitment for trade events, since frequent cancellation of such events posed problems. From interviews, the inspectors also found that the responsibilities and authority of the country desk officers needed to be clarified and that too frequently, ITA headquarters reorganizations were causing confusion and disruption at foreign posts. In response to the inspection reports, the Director General, US&FCS, convened a special task force to study trade promotion as a whole and issued guidance to posts worldwide, addressing concerns raised by the inspection.

In 1983, the National Oceanic and Atmospheric Administration created the Office of Aircraft Operations to put all NOAA aircraft under central management. The major expected benefits were increased use of aircraft, more efficient management, an effective safety program, and a uniform method of accounting for and reporting aviation costs. An OIG inspection in late 1984 found that these and other expected benefits had not yet been realized:

- The number of hours flown by the 10 aircraft NOAA managed increased very little in 1984.
- Aircraft operations continued to be managed essentially as they were before OAO was created.
- A central safety program, an adequate cost accounting system for aircraft and a quality control program for NOAA aircraft had not been established.
- The NOAA Aircraft Allocation Council, created to be the final authority on most crucial NOAA aircraft issues, had not yet convened.

NOAA's Acting Administrator generally agreed with the inspection findings. An OIG audit team was assigned to do a more detailed analysis of some of the issues.

Investigations

At the OIG's request, the Department of Justice filed suit against a major New York bank, seeking to recover damages caused by the bank's allegedly negligent administration of two loans guaranteed by the Economic Development Administration. The loans went to a New Jersey steel corporation for fixed assets ($14.2 million) and working capital ($2.8 million). They were intended to finance the corporation's acquisition, rehabilitation and reopening of a steel manufacturing plant that had been closed down.

EDA also made a $2 million direct working capital loan to the corporation. In December 1981 the company defaulted on the guaranteed loans and in February 1982 EDA paid the bank $19.9 million—90 percent of the outstanding principal and interest. No payments were ever made to EDA on the direct loan.

The charges filed in court grew out of an intensive OIG audit and investigation initiated at EDA's request. The audit and investigation showed that the bank had adequately monitored the activities of the corporation, had failed to comply with the covenants of loan guaranty agreements and had not notified EDA when it learned of material changes in the corporation's financial status. OIG investigators referred the case to the Department of Justice for prosecution. The suit claims that administration of the EDA-guaranteed loans was entrusted to the bank and the bank breached its duty. The United States is seeking to recover the $19.9 million paid to the bank and the $2 million direct loan, plus interest and damages.

The Economic Development Administration awarded the $1.4 million direct, fixed-asset loan to a Colorado corporation in December 1981. The corporation said it planned to use the money to modernize a foundry that would manufacture railroad spikes and brake beams for rail cars. By June 1982, the loan was in default with no payments having been made. Corporate assets were liquidated at an auction and about $75,500 was recovered. This went to the bank holding first security interest on the collateral. OIG investigated why the loan went into default and what the corporation had done with the money. Investigators found that the corporate officials had submitted false claims to EDA to obtain

the loan and then used the proceeds for personal purposes instead of for the reasons noted in the loan agreement.

One corporate official waived indictment and pled guilty to one charge of conspiring to defraud the government, agreeing to return $234,475 to the Department of Commerce. The judge refused to accept the guilty plea and ordered the case to be tried. The second official was indicted on four counts of making false statements. He then became a fugitive. When he was arrested eight months later, he pled not guilty at the arraignment and his bond was set at $100,000. He then was indicted for five additional counts—this time for wire fraud. He posted $10,000 of the $100,000 bond and was released. In July, he failed to appear for a pretrial hearing and the judge issued a fugitive arrest warrant. In September, the judge fined him the rest of the bond, $90,000. The OIG is working closely with the Federal Bureau of Investigation to locate the fugitive; the $10,000 bond he posted before disappearing is being returned to the U.S. Treasury.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The National Oceanic and Atmospheric Administration (NOAA) conducts research and gathers data about the oceans, atmosphere, space and sun and applies this knowledge to products and services that benefit all Americans.

NOAA provides these services through five major components: the National Weather Service, the National Ocean Service, the National Environmental Satellite, Data and Information Service, the National Marine Fisheries Service and the Office of Oceanic and Atmospheric Research plus numerous special program units.

Here are some of the ways NOAA services benefited the nation's economy and public safety over the past 12 months:

1985 was the Year of the Hurricane. Eleven hurricanes formed and six of the seven that reached hurricane force hit the U.S. mainland. Seldom more than two such storms strike in a normal year. Effective and timely warnings from NOAA, coupled with responsive and well-prepared communities, helped keep hurricane deaths below average.

A computer model being developed in NOAA's research laboratories incorporates the effects of topography on a hurricane passing over land. This model will help forecasters more precisely predict the strength and course of storms, especially coast-hugging hurricanes.

NOAA warnings for tornadoes improved markedly. The severe storm warning system showed a better than 10 percent improvement in detecting storms during the past two years. During the same period, forecasters also were able to reduce the number of unnecessary warnings because of improvements in the system.

Two new numerical models of the atmosphere went into operation at the Weather Service's National Meteorological Center, which produces guidance for NOAA forecasters across the United States. One of the models improves two-day forecasts, particularly for precipitation and severe storms. The other model improves week-long forecasts.

NOAA continues to improve flood and flash flood warnings and water management services across the country. New precipitation forecasting techniques are being tested in the Appalachian Mountains, advanced programs for the estimation of rainfall using radars are being developed in the Arkansas River Basin and a major system for collecting and distributing hydrological data via satellite is now in place for the whole nation.

Devastating weather originating half a hemisphere away came under close scrutiny during the year as NOAA scientists successfully simulated the 1982-83 occurrence of El Nino and atmospheric response to sea-surface temperatures in the equatorial Pacific. Results of these investigations by the Office of Oceanic and Atmospheric Research may provide the capability to forecast El Nino events and forestall some of the devastation brought on by this little-understood climate phenomenon.

NOAA-supported research has turned up vast deposits of phosphates in U.S. waters off the North Carolina coast. The estimated 4.5 billion tons of this important mineral, which is used in fertilizers, is roughly equal to all the estimated land deposits of phosphates in the entire eastern United States.

Other NOAA-funded work in biotechnology has isolated and identified new pharmaceutical compounds from marine invertebrates and algae that are anti-inflammatory, analgesic and inhibit sperm movements, cell division and tumor growth. This research points up the potential for finding other beneficial compounds through research with a multitude of little-understood marine organisms.

NOAA research and survey ships logged more than 4,000 combined days at sea in support of scientific and engineering programs for all NOAA components.

Survey ships of NOAA's National Ocean Service helped to set the stage for the managed develop-

ment of natural resources within the 200-mile U.S. Exclusive Economic Zone (EEZ), by mapping in detail more than 6,500 square nautical miles of the west coast EEZ. The 3.4 million-square-mile EEZ contains potentially large reserves of offshore oil and gas, as well as large deposits of such valuable minerals as titanium, platinum and gold that have strategic importance to the nation. NOAA and the Interior Department are surveying and mapping the EEZ to assure that if the United States ever needs to turn from our traditional sources of these strategic resources the nation will be ready with viable alternatives.

Nearly 3 million copies of 1,500 different charts, maps and related publications for U.S. coastal and Great Lakes waterways plus daily tide predictions for 6,200 ports and harbors in the United States and overseas, were issued to ensure safe marine navigation. Nearly 10.5 million copies of more than 7,500 different aeronautical charts and related publications were issued for safe navigation in the U.S. National Airspace System. As a result of the establishment of the Global Positioning System, which uses satellite technology, the positions of points in the National Geodetic Reference System—the geographic framework for maps and charts—can now be routinely determined at 20 percent of the cost of conventional methods.

The year's major environmental satellite story came in September when a contract was signed with Earth Observation Satellite Co. transferring the earth-sensing satellite system known as Landsat from NOAA's control to the private sector. The transfer will bring private sector jobs and opportunities here and overseas as well as relieve the American taxpayer of the expense of operating the $1 billion system. Landsat images have been used since 1972 to evaluate earth resources and provide important information to geologists, forecasters, industrial architects, farmers, wildlife managers and map makers of many nations.

A new polar-orbiting environmental satellite—NOAA-9—was launched in December. The satellite circles the Earth 14 times every day transmitting data and television pictures. It also carries instruments which pick up and relay back to ground stations emergency signals from ships and planes in distress.

A $50 million NOAA satellite, dead in space for nearly a year, was brought back to life this summer. Launched in 1983, NOAA-8 began tumbling in orbit June 12, 1984. While the satellite flew erratically, engineers at NASA and the National Environmental Satellite, Data and Information Service tried to restore it with transmitted signals. In April and May the signals began to take effect and the tumbling was stopped. The satellite began operating again and provided several more months of data while another satellite was being prepared for launch.

U.S. fishermen, reaping the benefits of the 200-mile U.S. fishery conservation zone administered by NOAA's National Marine Fisheries Service, landed 6.4 billion pounds of edible and industrial fish and shellfish, close to the record domestic landing of 6.4 billion pounds set in 1980. And although foreign nations caught about 4 percent more fish within the 200-mile U.S. economic zone in 1984, that catch was 11 percent below the average for the preceding five years, reflecting a trend that began with passage of the Fishery Conservation and Management Act of 1976.

Joint venture harvests by American fishermen, who sell their catches at sea to foreign processor vessels, continued upward in 1984 with almost 1.5 billion pounds of fish, valued at $79 million, unloaded on to foreign ships.

NOAA researchers are coming closer to the day when they will be able to accurately predict fish stock size and thus help managers, fishermen and investors. Recent work has concentrated on the spawning population of Alaska pollock, a resource of enormous economic importance in the northeast Pacific. In the spring of 1985, NOAA fishery biologists estimated the spawning size of pollock in Alaska's Shelikof Strait to be in the neighborhood of 2.3 billion tons, or almost 4 billion fish.

In cooperation with the National Institutes of Health, NOAA researchers are examining the possible health benefits of fish oil in the human diet. Early research suggests the unique oils in seafood may reduce heart disease and some inflammatory diseases like arthritis.

INTERNATIONAL TRADE ADMINISTRATION

The International Trade Administration (ITA) is responsible for most non-agricultural trade operations of the government and works with the Office of the U.S. Trade Representative in coordinating U.S. trade policy. It operates through four principal units: Trade Development, International Economic Policy, Trade Administration and the U.S. Foreign and Commercial Service.

Trade Development

The goal of Trade Development (TD) is to advance U.S. business interests in international trade by providing each industry with a point of contact in

the Department. It seeks to identify and remove domestic regulatory conditions that impede exports, to seek out foreign market opportunities and to initiate programs that will overcome obstacles abroad to U.S. exports.

TD identifies trade opportunities and obstacles by industry sector and market. It monitors industrial targeting of other countries, gauges their effect on U.S. industries and devises strategies to counterbalance these practices. It develops export promotion programs for specific industries, formulates industry trade strategies and advises American businesses on international trade and investment issues. TD's seven industry sectors helped 575 U.S. firms participate in 135 overseas exhibitions and trade missions.

One of TD's most important events in 1985 was the President's Export Council meeting of Sept. 23 where President Reagan announced his major trade policy initiative to meet "the pressing question of America's trade challenges for the 80's and beyond."

TD's activities are divided among the following sectors:

- **Aerospace** works to ensure that the aerospace industry expands its contributions to the U.S. balance of trade and maintains its long-held preeminence in high technology and manufacturing techniques. Its work contributed to significant progress in bilateral and multilateral negotiations involving France, Great Britain, Germany, the Netherlands, Italy, Canada, Brazil and Indonesia. Negotiations are under way to reform the 1975 Aircraft Standstill Agreement governing financing for small and medium-sized aircraft. Bilateral discussions centered on elimination of nontariff trade barriers. Aerospace managed the U.S. pavilion at the Paris Air Show in which more than 100 companies participated.

- **Automotive Affairs and Consumer Goods** promotes the well-being and competitiveness of the automotive industry and 127 consumer goods industries. It prepared an analysis of the effects of the Japanese automobile export restraint agreement which contributed to the President's decision in March not to request an extension of the agreement. It prepared an analysis of the economic and technological environment as it relates to the Corporate Average Fuel Economy standards following a request by GM and Ford to the National Highway Traffic Safety Administration to lower the 1986 standard from 27.5 mpg. to 26 mpg. The analysis was used extensively by NHTSA to formulate its Notice of Proposed Rulemaking on the issue. This sector was the lead Commerce unit for the Section 201 case involving nonrubber footwear; President Reagan announced his decision not to provide import relief Aug. 28.

- **Basic Industries** assists a wide range of industries that account for more than $800 million in domestic shipments. Its Office of Energy, working with other agencies, prepared policy papers and recommendations leading to the President's decision to relax restrictions on crude oil exports to Canada.

- **Capital Goods & International Construction** works to strengthen the competitive position of the U.S. capital goods and international construction industries. It addressed the problems facing the U.S. nuclear industry and concluded they could be best met by unified government support of the industry's efforts. On May 7, Deputy Secretary Brown announced creation of the Interagency Task Force on Nuclear Exports, chaired by Commerce. The Task Force has taken actions on nuclear projects in Yugoslavia, Egypt, the PRC, Japan and Indonesia.

- **Science and Electronics** supports high-tech industries, emphasizing export trade opportunities in Europe and the Far East, including a recent focus on China. To open the Japan market, it participated in the bilateral MOSS talks covering the electronics, telecommunications and medical equipment fields. Accomplishments included elimination of Japanese tariffs on all semiconductor and computer imports and Japanese telecommunications legislation to ensure the openness of their terminal and interconnect equipment market. The sector organized and escorted the U.S. Executive Electronics Mission to China that promoted American high-tech products and companies among Chinese Government and industry leaders. It worked successfully for passage of the Chip Protection Act which extends intellectual property rights to microelectronic designs; the legislation included incentives to encourage foreign countries to enact similar measures.

- **Services** analyzes U.S. service industries and recommends ways to strengthen their international competitive position. It worked with the U.S. Trade Representative and the private sector to bring services into the mainstream of trade policy development. Services were included in the U.S.-Israeli Free Trade Area, the United States' first two-way free trade area. Services were made a top priority for the proposed new round of trade negotiations. And the importance of bilateral services barriers was recognized by inclusion of Korean insurance barriers in the first series of self-initiated Section 301 complaints. Services initiated a government-wide effort to develop

domestic and international policies on services to increase their international competitiveness.

The Office of Export Trading Company Affairs conducted or participated in 20 conferences to promote export trading companies (ETCs). Working with the U.S. and Foreign Commercial Service and the Federal Bar Association, the office helped provide free legal counseling to businesses interested in utilizing the ETC Act. In January, Commerce—with the concurrence of the Justice Department—issued the final ETC Act Title III Regulations, a major statement on antitrust policy. The office issued antitrust certificates for an export joint venture involving major well-known firms and for a bank ETC.

- **Textiles and Apparel** continued to monitor and, as necessary, restrain imports of foreign textiles and apparel. It also achieved some successes with its textile/apparel export expansion program. The sector worked within Commerce and with other government agencies to develop administration policy toward the proposed Textile/Apparel Trade Enforcement Act; the administration opposed the bill. Based on policy guidance from the Committee for the Implementation of Textile Agreements, final special Customs regulations were issued March 5 to deter circumvention of the textile and apparel quota program.

The sector helped negotiate 11 bilateral agreements with foreign countries to limit textile and apparel exports to the United States. It requested 127 consultations (calls) with foreign governments to limit disruptive exports to the U.S.

- **Trade Information and Analysis** provides trade data and analysis support. The **1985 Industrial Outlook** provided coverage of more industries than ever before—nearly 350—and contained numerous new features. The **1984 Trade Performance and Outlook** provided an analytical look at U.S. trade including a projection of future trends. This office also coordinated the Competitive Assessment Program, assessing the medium- and long-range competitiveness of specific U.S. industries in international trade; 14 assessments were completed during the year and work began on an additional 21.

- **Trade Adjustment Assistance** continued to help trade-injured firms and industries become more competitive with foreign firms. It received 459 certification petitions from U.S. companies and certified 319 eligible for assistance. More than 375 firms were aided by the 12 Commerce-funded Trade Adjustment Assistance Centers in diagnosing their trade problems and developing recovery strategies. Some 180 firms submitted acceptable recovery strategies and more than 350 firms were helped to implement strategies for export promotion, marketing, product development and diversification, computerization and industrial engineering. Trade adjustment funds totaling $13.9 million were used to continue the TAACs. Another $3 million in loan guarantees went to one firm to combat foreign competition. In addition, the program supplied $2.7 million to aid four trade-injured industries through projects that will help them deal with foreign competition.

International Economic Policy

International Economic Policy (IEP) develops regional and multilateral economic policies, provides marketing services to U.S. exporters, identifies long-range trade and investment problems and develops remedial strategies on a geographic and multilateral basis.

The Office of Multilateral Affairs (OMA) is the focal point for ITA's efforts to support a new round of multilateral trade negotiations expected to begin in late 1986. The office worked closely with other ITA units and the U.S. Trade Representative to develop overall U.S. strategies for the new round, as well as positions on specific issues ranging from high-technology trade to improving the operation of the Multilateral Trade Negotiations codes. OMA's responsibilities for managing development of the Department's positions on Section 301 unfair trade practice petitions increased dramatically as a result of the administration's new policy of self-initiating 301 cases. OMA played a key role in preparing for negotiations on the new Harmonized System of Tariff Nomenclature. And it continued to ensure effective implementation of the GATT nontariff barrier codes on government procurement, standards, customs valuation and licensing.

OMA continued to manage interagency work on high-technology trade in the Organization for Economic Cooperation and Development (OECD). It participated in government efforts to strengthen national treatment principles in the OECD, developed the Department's position on investment aspects of the new Multilateral Investment Guarantee Agency and assisted OECD efforts to mount an investment conference between developed and developing countries.

The Office of Policy Coordination managed ITA's efforts to confront the growth of trade in counterfeit goods that violate U.S. patents, trademarks and copyrights to carry out Secretary Baldrige's commitment to do all he can to improve protection of these intellectual property rights. In a major initiative, ITA and the Department's Patent and Trademark Office joined forces to combat the problem.

IEP arranged meetings of the Joint U.S.-USSR Commercial Commission which resulted in agreement with the Soviets to improve market access for U.S. firms; by mid-year Soviet purchases of U.S. equipment were running at more than twice the rate of the previous year. IEP also arranged for meetings with Greece, Turkey, Yugoslavia, Romania and Hungary to discuss major commercial issues. In Eastern Europe, IEP emphasized export development and business facilitation issues, including payments problems and foreign government laws, regulations and practices that discriminate against U.S. firms. Together with other ITA specialists, IEP made extensive efforts to increase access to European government procurement markets, particularly high-technology sectors. The unit participated in the U.S.-European Community (EC) High Technology Working Group to encourage the EC to promote high-technology policies within a free-market trading system, with emphasis on efforts to increase access to European telecommunications markets.

In Latin America, IEP worked with U.S. firms to maintain trade and investment market shares in the face of the debt crisis. It alerted U.S. industry to favorable results of the economic adjustment programs of South America's high-debt less developed countries (LDCs), particularly the recovery in U.S. exports. IEP had a major part in U.S.-Mexico negotiations that concluded a bilateral subsidies agreement and resolved a pharmaceuticals dispute. It made progress toward a U.S.-Mexico comprehensive trade agreement and pressed Mexico to strengthen intellectual property protection laws. In the Caribbean Basin, efforts were made to strengthen the business infrastructure in the region, encouraging defense contractors to procure electronic components from the Caribbean Basin and present recommendations to the governments of Barbados and Jamaica for eliminating investment disincentives. U.S.-Canadian economic relations were strengthened by the March 1985 Summit on which IEP collaborated. IEP also had a key role in consultations that led to a Canadian request for exploratory talks on a comprehensive bilateral trade agreement; it also played a role in liberalizing energy trade between the U.S. and Canada.

IEP participated in the successful negotiation of a Free Trade Area (FTA) with Israel and began an extensive educational program on the U.S. business opportunities expected to result. It prepared for and participated in Secretary Baldrige's visit to India which strengthened commercial relations with the new government of Prime Minister Rajiv Gandhi. IEP undertook a major initiative to improve commercial relations with Iraq and led an interagency delegation to Baghdad to negotiate a commercial, economic and technical cooperation agreement.

Missions to Taiwan and Korea were organized by IEP to discuss problems relating to inadequate protection of intellectual property, resulting in Taiwan's passage of a new copyright law and Korea's agreement to join an international copyright convention in 1988. The unit participated in drafting trade liberalization packages resulting in market-opening measures for U.S. goods and services in Taiwan and Korea through the lowering of tariff rates.

IEP was deeply involved in the Market-Oriented Sector-Selective (MOSS) discussions—focus of bilateral trade negotiations with Japan. These discussions are intended to facilitate an increase in Japan's manufactured imports by eliminating impediments to market access in telecommunications, electronics, pharmaceuticals and medical equipment and forest products. As part of this effort, Commerce concluded a telecommunications agreement with the Government of Japan that gives U.S. firms the same access to the Japanese market for terminal equipment and network services that Japanese firms enjoy in the U.S.

IEP coordinated and supported activities under the Sino-U.S. Industrial and Technological Cooperation Accord. These included executive trade missions for the electronics and metallurgy sectors. In May, IEP prepared for the Secretary's trip to China to co-chair the third session of the U.S.-China Joint Commission on Commerce and Trade (JCCT). During this visit, the Secretary signed an Accord Work Program on Industrial Renovation.

Trade Administration

Trade Administration administers U.S. import and export laws through its Import Administration, Export Administration and Export Enforcement units.

Import Administration (IA) investigates cases where imports to the United States are possibly subsidized or sold at less than fair value. It received 144 petitions alleging unfair trade practices and initiated 133 investigations involving a wide range of products.

In September 1984, the President announced a five-year program to protect the domestic steel industry from unfairly-traded steel imports. IA administers bilateral steel trade arrangements involving 14 countries and the European Community. Every steel shipment entering the U.S. from these countries is monitored by IA for compliance with agreed-restraint levels. The unit also conducts technical reviews of specific steel products to determine whether they are in short supply in the domestic market; if so, it

authorizes a limited increase in the export ceiling for that product. IA monitors steel imports from all countries. It recently assumed responsibility for administering separate quotas established in 1983 under the Trade Act of 1974 covering imports of certain specialty steel products.

The Foreign-Trade Zones Board issued 39 orders, 16 of them for new foreign-trade zone projects. The remaining orders involved changes and expansions of existing zones, including 18 new subzones. Zones were used by more than 1,660 firms which handled more than $14 billion in goods and materials; most manufacturing activity continues to take place in auto assembly subzones. At the close of the year, there were 117 approved zone projects in 46 states.

Export Administration (EA) controls and licenses exports and reexports of dual use (military and civilian), nonagricultural commodities and technical data. Controls on these commodities are maintained for reasons of national security, foreign policy and short supply.

Although Commerce's authority under the Export Administration Act of 1979 terminated March 30, 1984, it was maintained under the International Emergency Economic Powers Act and continued by an Executive Order of March 30, 1984, until Congress passed a compromise bill. On July 12, 1985, the President signed into law the Export Administration Amendments Act of 1985, effective until Sept. 30, 1989. To increase the competitiveness of U.S. exporters, this law required decontrol of the exports of "low-tech" items to members of COCOM, the Multilateral Coordinating Committee, and provided for expanded congressional and private sector roles in the export control program. To ensure that national security objectives remained in balance, the new law provided for expanded enforcement authority, took numerous steps to strengthen COCOM and established new statutory penalties for illegal exports.

EA's workload continued to be heavy. Approximately 121,500 export license applications were received. Less than 1 percent of export licenses received were rejected. About 80 percent of license requests were approved for a dollar amount in excess of $53 billion. Sixteen percent of applications received were returned to exporters without action. Less than 5 percent of the cases received for all countries were in a "pending" status at the end of the fiscal year.

A priority in 1985 was the President's policy of liberalized trade with the People's Republic of China. EA established a China Team Center to expedite the processing of export license applications for exports to the PRC. The Center has cut processing time for simple approvals to eight days and also has speeded up applications requiring interagency and COCOM review.

After two years of negotiation in COCOM, a Commodity Control List entry for electronic computers and related equipment was revised for the first time in eight years and a new entry was added to control certain stored program controlled communication switching equipment. Other revisions, based on COCOM review, also were completed. A new general license, G-COM, was established to allow exports of qualifying commodities to COCOM countries without need for a validated export license.

EA strengthened its technical advisory program by adding three new committees to its Technical Advisory Committee (TAC) membership. TACs were formed to cover biotechnology, transportation (including aerospace, ground and marine), and the Military Critical Technologies List.

In a major regulatory change, EA amended its Distribution License procedure; the Distribution License authorizes exports from the U.S. of certain commodities under an international marketing program to consignees who have been approved in advance as foreign distributors or users. EA established more stringent eligibility requirements by imposing additional internal controls over consignees and licenseholder activities.

A sophisticated computer system concept—the Export Control Automated Support System—was placed in operation by EA by September. The first phase of the system improves license management and license tracking capability.

A Foreign Availability division was formed to become the seventh operating unit within EA. This division is now engaged in monitoring and assessing goods or technologies available without restriction to controlled destinations from sources outside the United States.

As part of EA's ongoing public awareness program, more than 1,200 exporters received professional training from licensing officers and export specialists in introductory and advanced seminars on U.S. export license requirements and procedures.

Export Enforcement (EE) is responsible for enforcing the Export Administration Act and its implementing regulations through a comprehensive program of preventive enforcement and investigations.

It referred 30 cases to the Department of Justice for consideration of possible criminal prosecution for export control violations. Thirteen criminal indictments were obtained involving 27 defendants, eight of whom were convicted; criminal proceedings are pending against the remaining defendants. Forty cases were referred to the General Counsel for the initiation of administrative proceedings and 79 warning letters were issued for lesser violations. Criminal fines imposed for violations of the Export Administration Act totaled $177,000. Civil penalties imposed by the

Department amounted to $490,000. Ten Temporary Denial Orders were issued denying the U.S. export privileges of 67 parties, both foreign and domestic. Four Denial Orders were issued imposing fixed periods of export denial against nine parties.

EE sharpened its enforcement strategy by emphasizing "preventive enforcement"—stopping potential illegal diversions before sensitive goods and technology leave our borders. This strategy led to a 117 percent increase in the number of enforcement checks completed to identify the risks of unlawful diversion. As a result, strategically controlled technology valued at more than $1 billion was not approved because of the risk that it would fall into the hands of potential adversaries. EE continued to lead COCOM's multilateral export control enforcement efforts.

Under its public awareness program, "Project Outreach," EE contacted 603 companies about enforcement aspects of U.S. export controls. It also published a brochure, **Commerce Enforcement of U.S. Export Controls—The Challenge and the Response.**

Under the antiboycott laws, EE completed 457 investigations, settled 38 cases and initiated three administrative enforcement proceedings. More than 90 warning letters went to minor violators of the reporting regulations. Civil penalties imposed totaled in excess of $500,000. EE also denied U.S. export privileges in two antiboycott cases.

U.S. and Foreign Commercial Service

The job of the U.S. and Foreign Commercial Service (US&FCS) is to increase U.S. exports and exporting awareness. With more than 1,300 employees in 76 U.S. cities and 127 overseas posts, the US&FCS is the only federal agency with a global network of trade professionals. It hunts for foreign business opportunities, counsels U.S. firms about exporting and provides the products, services and information that U.S. firms need to export.

The US&FCS gives U.S. companies direct contact with seasoned exporters through its District Export Councils (DECs), comprised of 1,800 business people. It also continued working toward a partnership with state and local governments. It helped 33 trade groups plan and organize State/Industry-Organized Government-Approved trade missions to all areas of the world. In each of the 50 states, ITA District Offices are promoting small business conferences in support of the White House Conference on Small Business. And, the Service conducted 25 Federal Procurement Conferences throughout the nation.

Activities abroad included improvements in major project and big ticket sales support, greater efforts to promote investment in the United States and more aggressive trade promotion. The US&FCS helped U.S. firms obtain a $100 million sale of trainer aircraft to Britain, a $106 million sale of ammunition to Belgium and the sale of two 747 aircraft to Brazil.

In response to increased interest from state development agencies, the US&FCS in 1985 almost doubled, to eight, the number of large "Invest in USA" promotions it supported abroad. US&FCS's work on investment opportunities paid off when a contract was signed with a Danish firm for the establishment of a $90 million milk processing plant in Minnesota.

More than 2,200 U.S. companies participated in 110 US&FCS-sponsored overseas trade fairs and trade and seminar missions reaching 2.4 million prospective foreign buyers, agents and distributors. These efforts resulted in almost 90,000 sales leads, 750 agent/distributor signings and licensing agreements and scores of new joint ventures. Domestically, more than 3,500 conferences and seminars educated more than 3,200 U.S. companies in making their first export sale or sale in a new overseas market.

Twenty catalog and video-catalog exhibitions, designed to promote goods and services of smaller, new-to-market and new-to-export U.S. firms, provided more than 820 U.S. companies an opportunity to display their goods in 100 countries; they generated 29,506 trade leads.

Special promotions by US&FCS and the National Marine Fisheries Service on U.S. fisheries products in Barcelona, Paris, Cologne and London generated more than $10 million in new trade leads. Seafood export seminars were held in Seattle, New Orleans and Atlantic City to stimulate interest of U.S. fish exporters in new markets. The Matchmaker Conference, an innovative, low-cost export promotion technique, was developed by the US&FCS office in London to help small business get established in foreign markets. Two conferences in Europe introduced 78 small businesses which were new-to-market and new-to-export to more than 400 British, Dutch and Belgian importers and distributors. These initial programs were cooperative efforts with the Small Business Administration.

Through the Trade Fair Certification Program, the US&FCS granted certification status to 52 privately sponsored trade shows including 37 in the U.S. and 15 in ten countries in Western Europe and the Far East. Domestic shows represented 15,000 U.S. exhibitors and attracted more than 50,000 foreign visitors.

The US&FCS reestablished the Foreign Buyer Program and laid the groundwork for its 1986 program expected to assist 1,500-2,000 small and medium-sized American firms in eight leading American trade shows that should attract 50,000 foreign buyers.

US&FCS developed the 1986 Soviet trade promotion program as a follow-up to Secretary Baldrige's trip to

Moscow. It includes two multiple-company technical seminars at the U.S. Commercial Office in Moscow, a U.S. exhibition at a major Soviet trade fair and several video-catalog and catalog shows.

The unit continued to implement the Caribbean Basin Initiative. U.S. District Offices and overseas posts conducted workshops, business development missions, trade shows and other promotional activities to increase trade and investment in the Caribbean basin. A survey revealed that 185 new projects in the first 14 months of CBI involved more than $208 million in investment and created 36,000 jobs in the region.

The range of trade information publications and services offered to U.S. exporters was expanded. More emphasis was placed on customized products such as the "Comparison Shopping Service," which provides U.S. manufacturers detailed information on their marketability and the relative cost and competitiveness of their products.

ECONOMIC AFFAIRS

Economic Affairs analyzes economic developments, develops economic policy options and oversees the collection and dissemination of a major share of U.S. Government economic and demographic statistics. The Under Secretary for Economic Affairs also supervises studies of major economic and business developments, promotes efforts to improve productivity and analyzes supply and demand for strategic materials.

The Office of the Chief Economist prepared reports and articles on the economic situation including reviews of conditions in key business sectors. It also provided detailed economic forecasts for the Secretary's and other senior officials' participation in administration policy forums.

Research papers and briefing memoranda were provided for Cabinet Council deliberations. Among the topics covered during the year were tax reform, fiscal and monetary policy, pension, agriculture and employment policy. The office also conducted studies on the effects of economic recovery on major regions, measurement of U.S. industrial competitiveness, venture capital financing capacity in the U.S. and the OECD, and the implications of a growing service economy.

Economic Affairs added further refinements to the system that is designed to safeguard sensitive economic data between the time statistics are assembled in the agencies and the issuance of a press release. One major change was the reduction in the number of persons who have access to the data prior to the time of public release. A stronger, more structured set of procedures has been put in place over the past two years.

Among the projects undertaken by the Office of Business Analysis were published reports on the iron and steel industry, motor vehicle industry and the plastics and synthetic industry. The office also began an experiment to determine the feasibility of providing basic economic data to the general public by means of a computerized data bank that could be reached by telephone.

The Under Secretary supervises the Bureau of Economic Analysis and Census Bureau which produce a major share of federal economic and demographic data; the Office of Productivity, Technology and Innovation; the Office of Business Analysis; the Office of Economic Conditions headed by the Chief Economist; the Office of Economic Policy; and the Office of Strategic Resources.

Office of Strategic Resources

The Office of Strategic Resources (OSR) provides coordination and direction of the strategic materials activities of the Department. The strategic resources program is mandated by the National Materials and Minerals Policy, Research and Development Act of 1980 to conduct critical material needs cases. OSR is also the lead agency of the interagency working group conducting the National Defense Stockpile Quality and Form Assessment Program as called for in the President's National Materials and Minerals Program Plan and Report to Congress of April 5, 1982.

OSR completed a final draft for coordination of a materials needs case study covering the domestic mining and processing industries as represented by aluminum, copper, lead and zinc. Having completed a pilot study of analytical methodology for assessing materials vulnerability, OSR is now seeking interagency funds to initiate an implementation project. Initial drafts were also completed of nickel, tantalum, columbium and vanadium quality and form studies which are now being circulated among the participating industry panels and the interagency working group for comment.

An OSR seminar on **Seeking a Solution to the Mining Problems of the 80's** brought senior representatives of the major mining and processing industries. A Materials Risk Management Seminar was presented to the Peoria Chapter of the American Society for Metals. OSR also participated in a number of policy analysis efforts involving materials-related issues such as particulate standards, nonferrous processing plant standards, Superfund taxation and vulnerability to disruption of South African minerals.

Office of Productivity, Technology and Innovation

OPTI strengthens public policies and national awareness for advancing private sector productivity, technological innovation and business competitiveness. It identifies government barriers to productivity growth and proposes means to reduce or eliminate them; develops incentives for the commercialization of technology, including federally-funded research results; provides essential business analytical techniques to the private sector; and increases awareness of productivity-improving techniques.

Through a Department contract with the Industrial Research Institute, OPTI coordinated the preparation of ten major business assessments of the "international competitiveness of selected industries and the feasibility of selected research and development projects that might enhance that competitiveness." These assessments cover automated manufacturing, office automation equipment, advanced engineering components, advanced ceramics, biotechnology/agribusiness, pharmaceuticals, computers (selected segments), power generation/energy storage, telecommunications and electro-medical equipment.

OPTI has been the U.S. Government focal point for assisting private sector activities encouraged by the National Cooperative Research Act of 1984. Thirty groups have formally registered under the Act and several more are considering forming cooperatives. OPTI-assisted groups in the former category include: the Software Productivity Consortium and the Pump R&D Committee. In the latter category, OPTI is currently working with rubber manufacturing, hydraulics, foundry, precision engineering, optoelectronics and other industries. OPTI, together with the National Bureau of Standards, held a national conference in advanced ceramics in July which resulted in steps toward formation of a major ceramics cooperative.

Recognizing that more effective means are needed to assist U.S. industry to cope with powerful world forces of economic changes, OPTI launched a new model vehicle, based on the successful existing U.S.-Israel joint arrangement, for binational cooperation through joint research/development/production arrangements. A new arrangement with India has been consummated. Discussions on applying the mechanism (Binational Research and Development, "BIRD-F partnerships") are under way now with about 20 additional countries. If implemented, these arrangements will help U.S. trade generally and U.S. access to foreign technology particularly.

OPTI established an "Innovation Data Analysis Program" to provide information and technical expertise to state governments and small businesses. A key element of this service is OPTI's new "Innovation Data Analysis Center" (IDAC), which prepares tailor-made industrial profiles using computer accessed integrated data bases. This activity is a key part of the Commerce-wide "states initiative", a pilot program in which OPTI played a major role.

It also spearheaded a number of projects to promote state and local government technological innovation and economic development. One of these, to promote the establishment of shared automated manufacturing facilities, has prompted at least two states to consider sponsoring this revolutionary approach toward helping small manufacturers automate. OPTI also held a national conference on "Making the Decision to Invest in Advanced Manufacturing Technology," in cooperation with the Battelle Institute. The effort focused on assisting the private sector to upgrade its manufacturing facilities.

OPTI action moved the government closer to the establishment of a government-wide policy providing contractor ownership of federally-funded inventions. The policy will increase the benefits from federally-funded R&D by creating jobs and greater U.S. competitiveness through better delivery of new products and processes into the marketplace. In this connection, OPTI was the chief supporting agency behind the passage of PL 98-620, which provides for ownership of government-funded inventions to most government-owned, contractor-operated laboratories, where those inventions were developed. It is now coordinating government-wide regulations pursuant to that new law.

OPTI encouraged successful technological innovation by rewarding demonstrated accomplishments through its administration of the first National Medal of Technology awards. It developed procedures for soliciting nominations for the Medal and for recommending finalists to the President. These resulted in 12 individuals and one company being recognized as the first recipients of the National Medal of Technology which is authorized by the Stevenson-Wydler Act. The Medals were presented by President Reagan on February 19, 1985.

This unit was also successful in codifying (15 CFR Part 19) a statement of coordinated metrication policies for all federal agencies. This will be a key for progress in advancing individual agency metrication actions, in resolving metric-related problems and in removing barriers to voluntary use of the metric system.

OPTI's Office of Metric Programs, operating at less than one tenth the cost of its predecessor organization (the U.S. Metric Board), maintained effective liaison with both the private and public sector leadership of the U.S. voluntary conversion. Through numerous speeches, articles and press interviews, OPTI coupled the metric issue to international competitiveness and trade. Previous antagonism in the press and general public toward the metric change has been reduced by casting the issue in this more positive light.

The Commerce-wide Strategic Productivity Theme Task Forces, which operate under OPTI auspices and coordination, achieved significant progress. One example was the new, automated "Inventory of Sources of Information in the Department of Commerce." The result of more than a year's work by the Information Improvement Task Force, the inventory is an innovative tool to help consumers of DoC information and data pinpoint how and where to get what they need quickly. Another example was the two-day national conference on "Human Factors, Technology and Productivity" which was planned and implemented by the Human Resource Development Task Force. Attended by more than 175 decisionmakers from the private and public sectors, the conference highlighted new trends in management, new training technologies to update worker skills and techniques to improve productivity through manager-worker cooperation.

OPTI's "Commerce Productivity Center" provides U.S. firms and other organizations with information on how to improve productivity, quality and competitiveness. The Center's small staff assisted about 950 clients during the year. Also, the Center cosponsored the National Productivity Awareness Campaign with the Broadcasting Industry Council to Improve American Productivity. This led to the production of ten radio and nine television public service messages and the placement of 36 public service ads in business publications and journals. It is estimated that approximately 160,000 radio and 36,000 television messages were aired during the fiscal year.

It also provided training in business analytical techniques, innovative financing techniques and cooperative ventures to business persons and other government agency personnel.

National Technical Information Service

The National Technical Information Service (NTIS) is the central source for the public sale of technical reports, computer software and data files, as well as the leasing of intellectual properties generated by or for the U.S. Government. This function is intended primarily to improve the efficiency and effectiveness of the U.S. research and development enterprise and help increase productivity and innovation in the United States.

NTIS sells its technical information products and services under the provisions of Title 15 of the U.S. Code. The law established a clearinghouse for scientific, technical and engineering information within the Department of Commerce and directed that it be self-supporting.

With the addition of 75,000 new research reports in 1985, the NTIS information collection approached 2 million titles. All are permanently available for sale. During 1985, NTIS supplied its customers with more than 6 million documents and microforms, shipping about 24,000 information items daily.

Significant accomplishments during the year included:

- Forty-two patent and know-how licenses were negotiated and signed; revenues from licensing approximated $1.5 million including $500,000 generated by an AIDS diagnostic kit.
- Sales of NTIS products and services generated $21 million in revenue.
- New agreements were completed with eight foreign organizations to acquire foreign technology and reports for the NTIS database.
- More than 1,000 federally-generated databases, data files and computer programs are now in the NTIS inventory. The number of data files available on diskette for personal computers increased from 3 in FY 1984 to 31 in FY 1985.
- The Center for the Utilization of Federal Technology (CUFT) produced the following publications on opportunities for American businesses: **Catalog of Government Patents, Federal Technology Catalog, Federal and State Contacts Involved with the Transfer of Federal Laboratory Technology, and A Report of Activities Pursuant to Section 11 of the Stevenson Wydler Technology Innovation Act.** Sales revenues for these reports totaled $132,000.
- Planned and developed in cooperation with the private sector an innovative program to publish and market information from the NTIS Database on Compact Disk/Read-Only-Memory.

BUREAU OF ECONOMIC ANALYSIS

The Bureau of Economic Analysis (BEA) measures and analyzses U.S. economic activity. BEA provides a

clear picture of the economy through the development, preparation and interpretation of the economic accounts of the United States. The economic accounts—national, regional and international—have become a mainstay of modern economic analysis. They provide basic information on such key issues as economic growth, inflation, regional development and the nation's role in the world economy. BEA's accounts and policy-oriented analyses related to them play an influential role in the formulation of government and business policies.

National income and product accounts are the most widely used branch of the national economic accounts. They provide a quantitative view of the production, distribution and use of the nation's output and show the relationships among the economy's major economic groups—consumers, business, government and foreign. Gross national product (GNP), the market value of the nation's output of goods and services, is the cornerstone of the national income and product accounts. The accounts show the goods and services that make up GNP and the incomes, such as personal income and profits, that are generated in its production. Measures of prices of goods and services that make up GNP are also provided. Further, the accounts provide a consistent framework within which estimates of special interest—such as expenditures to protect the environment—are prepared.

Other branches of the national economic accounts prepared by BEA show the holdings of the nation's tangible wealth and how industries produce GNP. The wealth estimates include structures, equipment, inventories and consumer durables. Estimates of business wealth are crucial to the analysis of the nation's ability to produce goods and services and estimates of consumer wealth are important in the analysis of consumer demand and well being. The input-output accounts provide a cross-sectional view of the economy that is especially useful for industry analyses and projections.

Regional accounts provide information on economic activity by region, state, metropolitan statistical area and county. Estimates of total and per capita personal income are used by the Federal Government in formulas to distribute funds to states and local areas, by state and local governments for revenue projections and by businesses in marketing and plant location studies.

The international economic accounts cover U.S. transactions with foreign countries and the international investment position of the United States. The international transactions accounts—commonly known as the balance of payments accounts—contain estimates of merchandise exports and imports; travel, transportation and other services; foreign aid; and private and official capital flows, including direct investment. Detailed data on the financial structure and operations of U.S. direct investors and their foreign affiliates and of U.S. affiliates of foreign direct investors, provide information needed in formulating U.S. policies on direct investment and in examining the relationship between such investment and production, employment and trade.

BEA's system of accounts is supplemented by various other tools for measuring, interpreting and forecasting economic developments. BEA regularly surveys capital investment outlays and plans of U.S. business. It maintains a system of indicators to track business cycles. National and regional econometric models are maintained to forecast changes in economic activity and to analyze the effects of alternative economic policies. The quarterly national forecasts are prepared for use by the Secretary of Commerce, the Council of Economic Advisers and policymakers in other federal agencies. The annual regional projections of income, employment and population are used by federal agencies and by state and local government planners to forecast public facility requirements and by businesses to forecast demand for goods and services.

Although BEA provides policy-oriented analysis that focuses on spotting and diagnosing emerging economic problems and on alternative economic policies that might be used to deal with these problems, it does not provide policy advice. This restriction is essential to preserve BEA's reputation for objectivity.

Most of BEA's work published in its monthly journals: **Survey of Current Business** and **Business Conditions Digest,** both available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. The **Survey** is the journal of record for most of the estimates of the national, regional and international accounts. A monthly article analyzes recent and emerging economic developments. Special articles present findings from ongoing BEA programs and special research projects, which contribute to a better understanding of the economy. In addition, the **Survey** contains a statistical section with more than 1,900 series from approximately 100 sources covering most aspects of the economy. **Business Conditions Digest** is designed for business cycle analysis. It contains charts and tables for 300 economic series—including the composite indexes of leading, coincident and lagging indicators—that provide insight into broad movements in the economy.

A catalog of BEA publications, computer tapes and other services is available from the Current Busi-

ness Analysis Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

In addition to regular annual, quarterly and monthly estimates of the national, regional and international accounts, BEA published the following during the year:

- The first two papers in a series documenting the concepts, sources and methods of the national income and product accounts (NIPA's). The first paper placed the NIPA's within the larger framework of national economic accounting. The second paper described the concepts, sources and methods of the corporate profits component of the NIPA's.
- The description of a new, indirect technique for measuring income from the "underground economy" and for evaluating the possible understatement of the growth in U.S. national income.
- Annual estimates of private fixed capital stock in the United States by industry for the years 1947-81, with a summary of estimating procedures and comparisons with alternative benchmark measures.
- A review of sources of change in the Federal Government deficit for 1970-86 in terms of the automatic response of the budget to the business cycle and to inflation.
- Revised estimates of new plant and equipment expenditures by business in the United States for 1947-83.
- Estimates of expenditures for abatement of pollution from motor vehicles for 1968-71, revised estimates for 1972-83 and a preliminary estimate for 1984.
- Projections of income, population and employment by industry to the year 2035 for the United States, states and metropolitan statistical areas.
- Experimental estimates of gross state product by industry for 1963, 1967, 1972 and 1977. These estimates are consistent with BEA's estimates of state personal income and GNP by industry.
- A description and evaluation of BEA data on U.S. international trade and investment in services, including recent BEA efforts to improve its data, suggestions for further improvements and uses and limitations of the data.
- Estimates of the financial structure and operations of U.S. affiliates of foreign companies for 1977-81 and preliminary estimates for 1982 based on a benchmark and annual surveys.
- Estimates of the foreign direct investment position in the United States and balance of payments transactions between U.S. affiliates and their foreign parents.

BEA improved its national econometric model so that it could generate Federal Government unified budget accounts for use in forecasts and policy simulations.

Tabulations of 1982 data from a benchmark survey on the financial structure and operations of U.S. parent companies and their foreign affiliates, on balance of payments transactions between parents and affiliates and on parents' direct investment position in affiliates neared completion. Data for 1983 from a new annual survey on the financial structure and operations of U.S. parent companies and their foreign affiliates, to be ready soon, will update the benchmark data. These surveys will provide new information on U.S. international trade and investment in the service industry.

BEA streamlined production of its publications to improve their timeliness and made estimates available on diskettes for the first time.

BUREAU OF THE CENSUS

The Census Bureau is the Federal Government's principal fact-finding agency. It collects, processes, analyzes and disseminates data on many important aspects of the nation's social and economic life—population and housing, manufacturing, construction, service industries, governments, foreign trade and statistics on other countries.

Some of the Bureau's surveys and special studies are conducted on behalf of other government agencies and they provide many of the government's key social and economic indicators on topics such as employment, health, housing, crime and consumer expenditures. It performs similar work for educational institutions and qualified private organizations.

Planning for 1990

Planning for the 1990 census intensified as the Bureau conducted the first full-scale test censuses in Jersey City, NJ, and Tampa, FL. This is a continuation of a test program begun in 1984 and will culminate in a dress rehearsal in 1988. The test program provides the mechanism to look at automation, methodological, procedural and content improvements in a census environment. The primary goal in Jersey City was to test data collection methodology; the Tampa test compared two different ways to convert data on questionnaires to machine- or computer-readable form.

The Bureau successfully tested other new automation procedures in both cities, as well as an expanded

program that included both precensus and post-census reviews of preliminary counts by local officials. This is a first step toward providing local officials with adequate time to prepare their data and review census counts.

The 1986 tests will look at other potential ways to improve the 1990 census.

Census coordinated a series of local public meetings held in 50 states, Puerto Rico and the Virgin Islands on the 1990 census. The agency is combining recommendations from these meetings with those from other sources to help determine the questionnaire for the 1986 National Content Test and other census planning and testing operations. Meanwhile, 10 interagency working groups completed a series of meetings and submitted recommendations for content as well as documentation of statutory or program-based requirements for 1990 data. The Federal Agemcy Council on the 1990 Census discussed these and other recommendations to help in determining the questionnaire content for the 1986 test.

Census planners also met with officials in all 50 states to discuss data products needed for redistricting and with representatives of American Indian tribal governments regarding general plans for 1990. They conducted a Conference on Race and Ethnic Items with representatives from the academic, research and ethnic communities; a Conference on the 1990 Census School Project with personnel experienced in the field of education; and meetings with representatives of minority groups to obtain recommendations on site selection for test censuses.

The Bureau developed and tested an automated management information system that identifies key procedural and program activities and decisions necessary to conduct the 1990 census. The system permits immediate updating to reflect new decisions, test results and changes in activities and will include cost data from field offices as well as daily progress reports.

The Census Bureau continued working with the U.S. Geological Survey in preparing the computerized mapping data base needed to automate the geographic system for the 1990 census. Computer-produced maps now are ready for testing under field conditions. A team of professionals reviewed the geographic automation processes, endorsed the technical approach and recommended specific steps to improve management and ensure timely completion.

Economic and Agriculture Censuses

The Bureau released most remaining reports from the 1982 economic and agriculture censuses. Some 4,300 reports came out 2 to 13 months earlier than did results from the last censuses.

Meetings and research in planning for the 1987 censuses are well under way. The Bureau contacted other federal agencies, state and local governments, farm organizations, trade and professional associations and private companies to obtain recommendations on questions to be included in the censuses. It began work on the design of more than 500 questionnaires and development of plans to collect and publish data based on anticipated changes to the Standard Industrial Classification (SIC) system. It continued research on the latest computer technology to determine more effective approaches to the data correction and analysis processes and the cost effectiveness of various systems and equipment.

Economic activities

The Bureau produced monthly, quarterly and annual statistical reports on a wide variety of economic activities—data essential to measuring the economic health of the nation. Among the more closely followed economic indicators published were the series of housing starts; foreign trade; quarterly financial reports for manufacturing, mining and trade corporations; retail trade sales and inventories; and manufacturers' shipments, orders and inventories. The government uses these data in developing estimates of the gross national product.

Because service industries are the fastest growing segment of the U.S. economy, the Bureau significantly expanded its 1984 Service Annual Survey to provide data on growth industries such as business and professional services. Since earlier research had identified data gaps in transportation industries, the Bureau developed plans to conduct a 1985 Motor Freight Transportation and Warehousing Survey. These data will help replace statistics previously collected by regulatory agencies whose activities have been reduced because of deregulation. Research continues on a framework for developing better measures of changes in technology and productivity.

The Bureau also responded to emerging needs for information by conducting a new survey on robotics, collecting new information on the retail pricing of general purpose computers and modifying its electronic and instrument surveys. It discontinued the tractor survey.

With regard to foreign trade, the Bureau continued work to make its current export statistical classification (Schedule B) compatible with the internationally based Harmonized Commodity System and to make its Shipper's Export Declaration (SED) more compatible with other nations' shipping doc-

uments. The revised SED incorporates new statistics requested by data users and includes provisions for reporting state or origin of the cargo, relationship of the exporter to the ultimate consignee, and if the vessel cargo is containerized.

The Bureau began publishing revised data that reflect information received from the U.S. Customs Service too late for inclusion in the prior month's report. The agency has been working with the Customs Service to reduce the delays.

The Center for Economic Studies made available a data file linking records from the Annual Survey of Manufactures and the Census of Manufactures. The file provides information on shipments, employment, capital, purchased energy, materials and services and depreciation at the plant level.

Demographic activities

The quarterly Survey of Income and Program Participation (SIPP) entered its second year, providing detailed data on relationships among important aspects of household economic activity. In addition to labor force participation, income and participation in government assistance programs, SIPP produced data on health and disability, work history, assets and liabilities, retirement plans and pension coverage and taxes paid. The Bureau, National Science Foundation and Social Science Research Council sponsored conferences to study SIPP's scientific potential.

The monthly Current Population Survey continued to generate reports on major demographic and economic characteristics of U.S. residents. The Bureau continued collecting data for other federal agencies on topics such as consumer expenditures, housing, crime, health, job training and leisure activities. The Bureau monitored immigration including the updating of estimates of the number of undocumented aliens in this country.

Technology and methodology

The Census Bureau continued research activities related to census undercount and adjustment issues including a plan for research on adjustment standards and work related to test censuses conducted in 1985 and set for 1986. It also continued research on automating 1990 census clerical activities such as record matching, computer coding of verbal responses and merging of computer maps.

The year saw continuation of a program sponsored by the American Statistical Association, National Science Foundation and Census Bureau that brought internationally recognized statistical experts to the agency to work with Bureau specialists. They examined certain survey work and subjects such as econometric models and seasonal adjustment.

The Census Bureau held its first Annual Research Conference drawing 446 representatives from a variety of occupations and professions. These included the statistical community, government, foreign statistical offices, academia, business and industry. Conference topics spanned the agency's five-year research plan.

Content of the Census Bureau's on-line computerized information system—CENDATA—initiated in 1984, continued to expand and now is offered through two commercial vendors. The Bureau began a prototype project to produce the first data products on laser-read compact discs.

A prototype telephone facility designed to test the use of centralized computer-assisted telephone interviewing (CATI) began operating in Hagerstown, MD. The agency is testing it on selected surveys to determine its feasibility for centralizing data collection methods in field operations. Testing will continue for about two more years. The Bureau also conducted initial feasibility tests using handheld microcomputers as tools in computer-assisted personal interviewing (CAPI).

The Bureau's large-scale computer systems processed a record high workload of more than 43,000 hours. Automation and interactive processing capabilities increased and the Bureau devoted extensive activity to improving 1990 census data capture abilities. Other major accomplishments were development of an automated data processing emergency contingency plan and creation of a system to provide high-speed interactive processing and sophisticated software critical to effective and timely statistical analyses.

Public service

The State Data Centers, organized and supported by the Census Bureau, continue to increase public and private sector awareness of the agency's data products. The Centers and their 1,300 affiliates responded to more than half a million inquiries for data. The Information Service Program in the 12 regional offices again responded to more than 100,000 inquiries. The Customer Services Branch at Census Bureau headquarters handled more than 38,000 user inquiries, processing some 3,400 data product orders. The agency's Public Affairs Office serviced about 22,000 telephone inquiries.

The Bureau exhibited products and services at 95 national trade, professional and minority meetings; conducted seminars on using statistics; and processed some 85,000 applications for official census transcripts through its Personal Census Service Branch in Pittsburg, KA.

International programs

The Bureau published up-to-date demographic statistics for the world's 203 countries. It also published, in cooperation with the Agency for International Development, four handbooks of statistics on women in developing countries.

Staff provided technical assistance to projects in 35 countries, served as resident advisors in five countries and presented 25 workshops in Washington and around the world. They hosted more than 400 visitors from other nations. The long-term, Washington-based training program averaged 125 students from developing countries. All of these numbers are substantially higher than in the previous year. The Bureau published a training manual on how to evaluate population and housing censuses.

Strategic planning

The Director established a Strategic Planning Committee to review the agency mission, study strengths and weaknesses of the organization and design a program to set goals, seize opportunities and take actions to improve overall performance and achievement. The resulting Strategic Plan reflected many months of hard work by many employees and provided a strong and positive agenda for future action. The Plan begins with a fresh and challenging statement of the mission of the Census Bureau:

"In its best interests, a civilized nation counts and profiles its people and institutions. Doing so ably and objectively is the abiding mission of the United States Census Bureau. We honor privacy, shun partisanship, invite scrutiny and share our expertise globally. Striving to excel, we chronicle the nation's past, describe its present and illuminate its future."

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

The United States Travel and Tourism Administration (USTTA) is the national tourism office which promotes U.S. export earnings through trade in tourism. It does this through a comprehensive international marketing program tailored to each key foreign market and based on marketing research.

To increase the effectiveness and productivity of its programs, USTTA follows a strategic market planning system enabling it to set a series of measurable goals, strategies and programs consistent with the legislative mandate of the agency and the goals of the Department of Commerce. This system precipitated automation of many of USTTA's management, policy, marketing and research functions.

USTTA develops programs with U.S. travel suppliers to promote and sell products, facilities and services available in the United States to the foreign travel buyer at the wholesale, retail and consumer levels. Major programs include cooperative advertising, trade and consumer support, media services and technical marketing assistance to regions and state and local governments.

Regional tourism marketing offices are located in Toronto, Mexico City, Tokyo, London, Paris, Amsterdam, Milan, Frankfurt and Sydney. An International Congress Office in Paris promotes the U.S. as a site for international congresses and conventions.

Travel development activities in countries lacking direct USTTA representation are carried out under the direction of USTTA regional directors by U.S. and Foreign Commercial Service officers in cooperation with "Visit USA" committees comprised of representatives of the U.S. and foreign travel industry in those countries.

International travelers to the U.S. numbered 21.7 million in 1985, up 4 percent from last year. International tourism and fare receipts are estimated at nearly $15 billion. Canada, accounting for nearly half of the inbound tourism, sent 2 percent more travelers than in the previous year. Mexican arrivals were up 21 percent over 1984 levels as escalating prices in that country made travel to the U.S. attractive again.

Tourism from overseas countries was mixed. Continued strengthening of the U.S. dollar kept European travel to the U.S. at relatively the same volume as 1984. The South American market remained at a relatively low level as austerity programs, high inflation and rapid depreciation of currency values in major debt-ridden countries continued to affect outbound travel. Inbound travel from Asia continued to grow, however. It was led by a strong Japanese market which, reflecting a more healthy economy and a strengthening currency, generated increased numbers of visitors to the United States.

USTTA publishes statistics and technical information about international travel to the U.S. It carries out an inflight survey for gathering essential marketing information on international travelers to and within the U.S. as well as on Americans traveling abroad. Besides providing comprehensive analyses of destination selections of foreign visitors, the survey upgrades the reliability of the statistical base from which data on international travel dollar accounts are derived. This survey is conducted with the cooperation of the National Park Service,

other public and private tourism concerns and 37 major international air carriers.

Foreign media coverage of tourism attractions and events is a major part of USTTA's marketing program. International journalists, photographers and television crews are brought to the U.S. to produce travel coverage to stimulate the interest of the international consumer in visiting this country. Transportation and accommodations are provided at no cost to the government by international and domestic airlines and the hotel industry. This resulted in more than $90 million of editorial coverage.

USTTA enlisted the support of private and public sector partners in promotional programs and projects including a program of cooperative advertising in major world markets. It also developed a comprehensive promotional plan for tourism development, including a generic theme and graphic logotype. It produced a series of new travel planning brochures promoting tourism to all states, territories and possessions. Printed first in English, the brochures are being translated into several major languages for distribution abroad.

It expanded its training and technical assistance to travel agents, tour operators, state and city tourism officials and other travel industry entities both here and abroad. It also provided trade and consumer support and encouraged media coverage abroad concerning U.S. destinations and attractions.

USTTA operates a uniformed corps of multilingual receptionists at U.S. gateway airports to provide interpreter and allied services for arriving international tourists requiring assistance with U.S. entry formalities. International gateways offering this service are: New York's John F. Kennedy International, Seattle, San Juan, Philadelphia, Miami, Boston, Los Angeles, Honolulu, Bangor, Atlanta, New Orleans and Baltimore-Washington International.

Key international consultations in which USTTA participated and agreements were consummated included:

- The fourth meeting of the Facilitation Committee of the World Tourism Organization (WTO) dealing with standards and recommended practices for the issuance and renewal of passports and visas and with Customs regulations applicable to temporary visitors and returning residents;
- A Bilateral Agreement on Tourism negotiated with Morocco;
- The 12th meeting of WTO's Committee on Budget and Finance;
- The 24th, 25th and 26th sessions of the WTO Executive Council;
- The Sixth General Assembly of WTO in Sofia, Bulgaria; and
- The Tourism Committee of the Organization for Economic Cooperation and Development (OECD) agreed to a new instrument which reduces tourism barriers within the OECD community.

The National Tourism Policy Council, an interagency committee which coordinates policies and programs of federal agencies having a significant effect on tourism, met four times. Meetings concentrated on cooperative programs with the United States Information Agency, preclearance issues, visa waiver legislation, Canadian tax on inbound tourism literature, Federal Government sources of information on travel and tourism and discussions of the functions of National Tourism Offices' representation in the U.S.

The United States Travel and Tourism Advisory Board, composed of public and private industry representatives to advise the Secretary, met twice. The Board reviewed USTTA's international marketing plan, consumer surveys, accelerated entry procedures, the USTTA marketing concept and test program and free trade agreements.

UNITED STATES PATENT AND TRADEMARK OFFICE

The United States Patent and Trademark Office (USPTO) administers the patent and trademark laws of the U.S. Patent laws encourage technological advancement by providing incentives to invent, invest in, and disclose new technology. USPTO examines patent applications and grants protection for qualified inventions. It is also responsible for collecting, assembling and disseminating the technological information disclosed in patent grants. A patent appellate board rules on appeals from examiners' decisions and on disputes regarding inventors' rights to a patent.

USPTO examines trademark applications and grants federal registration to the owners of qualified marks. Disputes over the ability to register marks are resolved by a special tribunal.

During FY 1985, USPTO achieved the administration goal of reducing the average time it takes to register a trademark to 13 months, down from 24 months four years ago. Trademark examiners reached the goal while approving a record 71,167 registrations and disposing of a record number of 86,318 cases, thereby staying ahead of the 64,677 trademark applications filed.

USPTO also progressed in reducing the average time it takes to get a patent to 18 months by 1987.

Pendency times in FY 1985 were 23.2 months for utility, plant and reissued patents and 28.5 months for design patents. Filings remained high, with a total 125,931 applications filed, including 9,504 for design patents. Examiners disposed of a total 128,721 cases, including 8,233 involving designs. Patents issued totaled 75,302, including 5,058 for designs.

To help reduce pendency times, USPTO hired 177 patent examiners and two trademark examiners. Total number of patent examiners reached 1,444 including design examiners and immediate supervisors. Trademark examiners, including lead attorneys, totaled 100.

Further steps were taken in automating agency operations, with new emphasis placed on improving quality of output. An automated search system was established in the trademark examining area and was successfully used by examiners on a voluntary basis. Recommendations resulting from outside reviews of the automated trademark search system were being implemented at the end of the fiscal year. The procurement and installation of hardware and software for the patent automation system was also proceeding smoothly, with full automation of the testbed operation in one examining group expected to be operational by June 1986.

In the area of international cooperation, USPTO reached final agreement with the European and Japanese patent offices on technical standards to be used for the exchange of electronic data which is to begin in 1986. USPTO continued to work closely with other nations and international organizations to strengthen protection for intellectual property.

The USPTO was involved with implementation of the Semiconductor Chip Protection Act of 1984. The Commissioner, as agent for the Secretary of Commerce, issued orders extending interim protection for mask works to nationals of Japan, Sweden, the Netherlands, Canada, United Kingdom, Australia and some member states of the European Economic Community.

A highly successful examiner education program, financed by private sector contributions, continued to give examiners the opportunity to visit industrial facilities using the technology which they examine. Private sector contributions to the examiner education program have exceeded $560,000 and almost 700 examiners have visited more than 350 companies.

USPTO's newly consolidated Board of Patent Appeals and Interferences received 4,812 appeals from examiners' decisions and disposed of 3,692 cases. The number of appeals pending increased 1,120 to 7,018, excluding reconsiderations. The rise in the number of pending cases is at least partially attributable to the increasing productivity of the patent examiner corps. Interferences were declared in 159 cases, with 206 interference cases disposed of, leaving 320 pending (a decrease of 47 from the backlog at the end of FY 1984).

The Trademark Trial and Appeal Board disposed of 2,790 cases, 306 after hearing, received 4,169 new cases and had 5,716 cases pending at year's end.

The Office of the Solicitor received 164 new cases, disposed of 170 and had 122 cases pending.

USPTO received 230 reexamination requests, of which 99 were filed by patent owners and 128 requested by third parties. Three cases were ordered reopened by the Commissioner.

As part of its effort to improve the quality of issued patents, the Office reopened 222 cases out of 3,251 examined in its quality review program.

The USPTO received 2,452 international applications as a receiving office under the Patent Cooperation Treaty and completed 1,770 international search reports.

The Patent Depository Library Program continued to grow, with seven new PDLs added in FY 1985, making a total of 60. Further improvements were made to the on-line Classification and Search Support System available at the depositories.

USPTO was also involved in new efforts to encourage future innovation in the nation through elementary and secondary school programs. In cooperation with the National Council of Patent Law Associations and the Intellectual Property Owners, Inc., the Office arranged for the first of what is planned as a series of seminars for teachers to show them how to set up programs in their schools and brief them on available resources.

NATIONAL BUREAU OF STANDARDS

Measurement plays a major role in searches for new materials, new processes and new and better technology. Providing accurate measurements is the mission of the National Bureau of Standards (NBS). By supplying the measurement foundation for industry, science and technology, NBS helps the nation achieve higher productivity and increased competitiveness abroad.

The science of measurement affects nearly every segment of the U.S. economy—from new technologies like advanced ceramics, automated man-

ufacturing, cryoelectronics, optoelectronics and biotechnology to more traditional fields like weights and measures. For these and other areas of technology, NBS develops the standards, measurement techniques, reference data, test methods and calibration services that help to ensure national and international measurement capability and comparability.

NBS has some of the premier research and testing facilities in the United States, several of which are unequaled anywhere in the world. These facilities are available for cooperative or proprietary research. For instance, about 200 scientists use the Bureau's 20-megawatt research reactor each year for studies in environmental chemistry, biomedicine and materials science.

Among other NBS facilities are an electron accelerator, a synchrotron ultraviolet radiation facility, several environmental chambers, a metals-processing laboratory, a fire research facility and a computer network protocol testing and evaluation laboratory. Construction is nearly completed on a computerized large-scale seismic facility which will be used to test how full-scale bridge and building components perform during earthquakes. When completed, the facility will be the largest of its kind in the United States.

The new Commerce Department Consolidated Scientific Computer System (CSCS), dedicated in June at NBS, includes a Control Data Corporation Cyber 205 Series 600 supercomputer and a Cyber 855 Series 180 computer. The CSCS will be linked by dedicated communications channels to smaller computers at the DoC Boulder, Colorado laboratories and at the National Oceanic and Atmospheric Administration's Environmental Research Laboratories in Ann Arbor, MI; Miami; Norman, OK; and Seattle.

As a nonregulatory agency of the Commerce Department, NBS was established in 1901 specifically to aid manufacturing, commerce, government and academia. Research associates from industry and universities often work in NBS laboratories on projects of mutual interest. For example, more than 20 private companies and 10 universities are paying for their researchers to work in the Bureau's Automated Manufacturing Research Facility, the NBS research version of the factory of the future. Companies have also loaned or donated about $3.6 million worth of equipment to the effort.

The American Society for Metals (ASM) has raised $4 million as industry's portion of a cooperative ASM-NBS program that will give scientists and engineers more reliable data for designing new and better alloys. Information from the International Data Program for Alloy Phase Diagrams will also help those designing products that use metal alloys. It will be used to conserve scarce materials, find substitutes for imported metals, solve product service problems and improve metals processing. Data from the ASM/NBS program are expected to save U.S. firms hundreds of millions of dollars. Fifty companies, organizations, institutes and agencies and hundreds of individuals made contributions to ASM.

A new 10-fold quasicrystal structure has been found at NBS by a guest scientist from Johns Hopkins University. This is a totally different kind of aperiodic crystal from the first one discovered three years ago at NBS by an Israeli guest scientist. The first quasicrystal structure had icosahedral symmetry (six intersecting 5-fold axes). Both crystal structures were observed in aluminum and manganese alloys produced in the NBS materials-processing facility using a melt-spinning technique to rapidly solidify the metals. The crystal structures in these alloys defy a 100-year-old theory in crystallography and their existence is causing scientists to challenge a number of basic principles of materials science. Also, the existence of quasicrystals may make it possible to produce materials with radically different properties.

NBS researchers with scientists from the State University of New York at Stony Brook completed what is believed to be the first successful experiment in "trapping" neutral atoms. The experiment, in which neutral atoms were confined in a magnetic-field trap, is an important advance in the technology of atomic physics. The researchers built on their success in using laser beams to decelerate and actually stop neutral sodium atoms to confine a sample of the atoms in a magnetic trap for at least a second. This development opens the possibility of a new generation of experiments in atomic physics, such as measurements of previously unmeasurably long atomic lifetimes or studies of collisions with very small rates.

Another new technique developed at NBS is expected to find wide application in a number of areas including development of high-density magnetic recording media and the search for new, strongly magnetic alloys for use in high-efficiency electric motors. With this new technique both the magnetic character and physical structure of a surface can be observed simultaneously over dimensions as small as 100 angstroms (10 manometers). The instrument measures the magnitude and orientation of the magnetic structure of materials with a resolution many times better than the best current instruments, while simultaneously producing a conventional topographic SEM image of the surface.

NBS researchers also have designed a fully automated, high-accuracy ellipsometer for measuring the optical properties of thin films on various materials. The device can determine the thickness and refractive index of thin films more accurately and with greater ease than previously possible. Because of the instrument's accuracy, it can be used to make reliable measurements on thin-film growth, monolayer surface contamination, surface damage or surface crystallography. The integrated circuit industry, for example, needs such instruments to evaluate and control oxidation or the deposition of metallic and dielectric films on semiconductors. This device was one of eight NBS projects to receive I-R 100 awards this year. I-R 100 awards are given annually by **Research & Development** magazine to honor the "100 most significant" new technical products of the preceding year.

A trio of researchers from NBS, the Federal Emergency Management Agency and the U.S. Army have been awarded a patent on a new design for a unique, disposable radiation dosimeter that is expected to be particularly useful in radiation therapy. The dosimeter is a thin plastic tube containing a radiochromic dye which takes on a color in proportion to the amount of radiation received. Because this dosimeter has the same response to radiation as does body tissue, it accurately measures the dose received by the patient. The dye dosimeter at the end of a fiber-optic cable can be placed in specific regions of the body through a conventional catheter.

The first sales of a product manufactured in space were announced July 17 by NBS. Billions of tiny polystyrene spheres made aboard a NASA space shuttle flight are being offered as an NBS Standard Reference Material (SRM). The space-made spheres, each 10 micrometers (1/2500th of an inch) in diameter, are being purchased by producers of finely ground powder products as well as by technologists who monitor environmental particulate pollution from industrial and chemical plants. They also will be used by medical researchers who calibrate instruments to count blood cells and measure their shape and to perform a wide variety of diagnostic measurements.

SRM's, products produced and sold by NBS since 1906, play an important role in increasing and ensuring the accuracy of measurements. NBS now offers an SRM for 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD), commonly known as dioxin which the Environmental Protection Agency has called "one of the most perplexing and potentially dangerous chemicals ever to pollute the environment." SRM 1614, Dioxin in Isooctane, consists of three vials for concentrations at the part-per-billion level. Besides its use in calibrating analytical instruments, the SRM also can be used to "spike" research samples with known amounts of dioxin.

The Bureau offers more than 300 calibration services in such areas as mass and dimensional metrology, mechanics and acoustics and electrical and electromagnetic quantities. In one case, the capabilities of the near-field antenna measurement facility at the NBS Boulder, Colorado laboratories have been upgraded. The facility is available to industry and other government agencies for the calibration of large antennas; it has already been used to measure the characteristics of the large AWACS antennas. The indoor range will now accommodate rectangular antennas up to 30 feet long and 10 feet high and will measure pattern, gain, axial, ratio and tilt. NBS has pioneered the development of near-field antenna ranges whereby measurements can be made indoors and, through algorithms, extrapolated to the far field. The near-field technique has speeded up the measurement process, improved accuracy, provided more complete information and reduced both the staff needed and the cost.

The Ohio State Weights and Measures Laboratory is the first state laboratory to be authorized by NBS to test weighing and measuring devices under the new National Type Evaluation Program (NTEP). The Ohio laboratory contains an environmental chamber and specialized equipment for testing and shielding on equipment against unwanted electronic interferences such as the effects of CB radio signals on highway truck scales. NTEP was established by NBS and the National Conference on Weights and Measures to offer manufacturers a one-time evaluation of new weighing and measuring devices by either NBS or one of the states that will be accepted by all of the others, thereby eliminating duplicate tests by each jurisdiction.

The NBS Fire Safety Evaluation System for Board and Care Homes was incorporated into the 1985 edition of the National Fire Protection Association's (NFPA) Life Safety Code. The system is designed to upgrade fire safety and reduce fire protection costs in these homes. Through the use of the system, building owners can meet the code by using combinations of fire safety features other than the fixed requirements in the code as long as equivalent safety is provided. U.S. board and care homes house an estimated 2 million residents who are elderly, physically handicapped or developmentally disabled. The Life Safety Code is a "model" document used by many state and local jurisdictions. The Federal Government's Health Care Financing Administration requires health care occupancies receiving federal funds to use the code. A similar system for evaluating the fire safety of prisons and jails was also included as an appendix to the code.

A portable pothole patcher and a new composite material made of high-strength fibers are among the 51 energy-related inventions NBS recommended in FY 1985 to the Department of Energy for assistance. Through the Energy-Related Inventions Program, conducted jointly by NBS and DoE, inventors can receive help in getting their ideas to the marketplace. NBS provides, at no cost to the inventor, evaluations of inventions and recommends those it considers promising (over 300 to date) to DoE. In turn, DoE may provide financial support and/or help in marketing the inventor's idea.

The more than $500 billion in Federal Government collections and payments and $2.5 trillion in federal securities transferred electronically each year will be better protected as a result of an agreement signed by NBS, the Department of the Treasury and the National Security Agency. By June 1, 1988, federal electronic funds transfers will be sealed using the NBS Data Encryption Standard. Treasury also plans to use an automated system for managing the cryptographic key used to seal the data. One NBS-developed feature of this system notarizes the key with the names of the transmitter and intended receiver. Based on technical guidance from NSA and NBS, Treasury will certify that electronic funds transfer devices are designed properly and that appropriate security features have been incorporated. NBS will develop test methods to validate that the devices comply with the specified standards.

Researchers from Honeywell, Inc., Intel Corp., and NCR Comten Inc. teamed up with NBS researchers to develop a test system needed by industry to determine whether computer networking standards have been used correctly. The goal of the project is to have "open" systems where you can mix and match equipment from different vendors. The recently developed test systems were used by industry to prepare for a computer network demonstration at the 1985 Autofact Factory Automation Trade Show. General Motors Corp. and Boeing Computer Services Co. cosponsored the demonstration; more than 20 vendors participated.

Another program involves measuring and evaluating the real-time performance of standard open systems interconnection protocols. Using equipment donated by Intel Corporation, NBS researchers are determining the range of performance that can be expected and they will develop and test methods to extend that performance. In another cooperative program, using equipment donated by industry, guest researchers from companies such as Fairchild Industries, General Motors and Tektronix are working with NBS researchers to study token bus access technology.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

The National Telecommunications and Information Administration (NTIA) develops domestic and international communications and information policy and presents Executive branch views and recommendations before Congress, the Federal Communications Commission, and international technical, economic and regulatory organizations. NTIA fulfills responsibilities delegated to the Secretary of Commerce and serves as the President's principal adviser on telecommunications policy. It also manages the Federal Government's substantial use of the radio frequency spectrum, conducts radio and other communications system research and administers the Public Telecommunications Facilities Program which awards matching capital grants for the construction and improvement of noncommercial broadcasting and other communications services.

NTIA officials testified in Congressional, regulatory and international proceedings involving the establishment of new U.S.-based international communications satellite systems. Together with the Department of State and 12 other Executive departments and agencies, NTIA published a White Paper in support of the President's November 1984 determination sanctioning such new satellite systems. Additionally, NTIA released a comprehensive review of U.S. domestic communications policies which makes recommendations for the policies to be pursued for the next five years. It published an extensive appraisal of the benefits of procompetitive, deregulatory federal policies in 14 telecommunications sectors and an analysis of cable television copyright and related intellectual property issues.

Formal filings with the FCC recommended reductions in regulatory restrictions affecting the provision of new communications services by AT&T and the Bell Operating Companies established subsequent to the 1984 breakup of the former Bell system. NTIA recommended steps to expedite the availability of new domestic communications satellite services, mobile radio services and appropriate policies regarding cable television rates. NTIA also participated in federal programs aimed at ensuring the survival and restoration of U.S. communications services in the event of war or natural disaster.

The Interdepartment Radio Advisory Committee (IRAC), which NTIA chairs, approved 80,000 frequency assignments for federal agencies. Radio

frequency management instruction was provided 39 developing countries' officials through courses held under the auspices of the U.S. Telecommunications Training Institute. NTIA's Institute for Telecommunication Sciences conducted major research projects for the Departments of Defense, Agriculture and Transportation as well as the U.S. Information Agency. NTIA officials also staffed and co-chaired the U.S. Delegation to the International Telecommunication Union's World Administrative Radio Conference on Space Satellite Communications in 1985.

NTIA officials chaired national and international working groups responsible for international radio and common carrier communications standards development which function under the auspices of the International Consultative Committees on Radio (CCIR) and Telephone and Telegraph (CCITT). NTIA officials also participated in trade and telecommunications regulatory discussions with Japan, the European Economic Community and individual European countries including Great Britain and West Germany.

NTIA awarded 144 grants totaling $22.8 million to public telecommunications entities in 44 states, Guam, Samoa and the Trust Territory of Yap. It also sponsored four regional conferences regarding minority business and investment opportunities in telecommunications.

MINORITY BUSINESS DEVELOPMENT AGENCY

MBDA is the only federal agency that administers programs to generate business opportunities for minority firms in government and private markets. It provides an array of management, marketing, financial and technical assistance to the nation's 700,000 minority-owned businesses through 101 Minority Business Development Centers, six American Indian Business Development Centers, nine Minority Export Development Centers and one Rural Assistance Center.

These centers assisted 8,830 clients, generated $433 million in contract awards and $200 million in financing to minority-owned firms.

The level of Federal Government purchases of goods and services from minority-owned firms reached an all-time high. In 1982, President Reagan established a goal of $24 billion in federal contract, grant and loan awards to minority firms through FY 1985. Not only was the President's goal accomplished, it was surpassed and totaled nearly $28 billion.

Federal awards to minority firms increased from $7.4 billion in FY 1983 to a record $10.2 billion in FY 1985.

Thirty-one funded state and local government offices of minority business enterprise provided MBDA assistance generating an additional $336.5 million in procurement sales by minority-owned firms.

MBDA signed 20 agreements with other federal agencies to co-sponsor minority business development activities in international trade, telecommunications and energy technology.

Minority firms received an additional $6.6 billion in contract awards from corporate members of the National Minority Supplier Development Council which was funded by MBDA to continue generating new economic opportunities in the private sector.

MBDA commissioned five research studies on equity capital formation in minority communities, state and local government regulatory barriers to minority business development and attitudes of minority youth towards entrepreneurship as an occupation.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration (EDA) generates and protects jobs in economically distressed areas. Its programs encourage a combination of private and public sector economic development efforts to raise depressed areas to a level of continuing national prosperity.

Although the administration requested a zero program budget for EDA in FY 1985, Congress appropriated $230.7 million to continue its programs. EDA responded to the administration's emphasis on debt recovery by collecting $104 million.

Public works

EDA awarded 219 grants of $129.9 million in financial assistance under its Public Works and Development Facilities program to units of local and state government, Indian tribes and non-profit organizations. Projects included industrial parks, water and sewer system improvements, industrial access roads, vocational-technical education facilities, harbor and port developments, business incubators, and other community development undertakings. Funds were distributed on a 56/44 percent rural/urban split. A Public Works Impact

Program approved 41 projects totaling $20.1 million to assist development of public works facilities and to provide immediate construction jobs in areas of economic distress.

Public sector debt collections amounted to more than $21.4 million. This removed 360 debtors from the delinquent list on the basis of collections of more than $5 million. EDA collected more than $16 million by managing 514 active public works and development facility loans with an outstanding principal balance of $233 million. Improved project management practices resulted in a deobligation of $21 million including $15.8 million in regular public works projects and $5.2 million in local public works projects.

Business loans

EDA manages a portfolio of $470 million in direct loans and acquired guarantees, $250 million in nonacquired guarantees and 575 active projects. By strengthening its servicing and liquidation efforts, EDA collected $82.4 million. A new effort to reduce the portfolio without loss to the government resulted in a collection of $2.6 million from the sale of a loan at present value.

The business loan program guaranteed loans made by private lending institutions to private borrowers in economically distressed areas. In loan applications, EDA implemented new OMB requirements which limit guarantees to 80 percent of the loan, require a guarantee fee payment and place the lender at risk for its portion of the loan. EDA also complied with all the statutory requirements, including a reasonable assurance of repayment and full collateral coverage. It reviewed 27 projects totaling $85.7 million and authorized 19 projects totaling $46.5 million. Four projects with a total exposure of $11.86 million were approved for a firearms manufacturer, a hide-tanning operation, a steel manufacturer, and a computer switching systems manufacturer.

Technical assistance

In its national program, technical assistance funded 32 projects for approximately $2.6 million for information dissemination, technical assistance to public entities and businesses, and demonstration of new economic development approaches. This included $500,000 transferred from the Department of Housing and Urban Development to provide assistance to minority-led cities and counties. Fifty-one university centers received more than $4 million to provide assistance to state and local governments and the private sector. In addition, 68 state and local projects received $2.7 million for feasibility studies and other local economic development needs.

Economic adjustment

EDA awarded 76 economic adjustment grants approximating $33 million. The Sudden and Severe Economic Dislocation (SSED) program provided more than $16 million to prepare strategies, to assist industrial site development, and to provide job training and business financing in response to actual or threatened plant closures or layoffs. EDA obligated $16.9 million to recapitalize nine revolving loan funds and to establish 26 new programs under the Long-Term Economic Deterioration (LTED) program.

Planning

EDA awarded 502 economic development planning grants totaling $26.8 million. Planning grants assist states, cities, counties, multicounty development districts, and Indian tribes to undertake and maintain an economic development planning process.

Research and evaluation

EDA awarded 25 research grants totaling approximately $2 million for economic development studies, including regional impacts of international direct investment and a guide to local capital markets and strategies. It completed 10 research studies begun in previous years. The Mississippi Institute for Technology Development received $7 million in demonstration grants.

DEPARTMENT OFFICIALS
(As of September 30, 1985)

Secretary of Commerce ..... Malcolm Baldrige
Executive Assistant to the Secretary ..... Helen W. Robbins
Special Assistant to the Secretary ..... (vacant)
Special Assistant to the Secretary ..... (vacant)

Deputy Secretary of Commerce ..... Clarence J. Brown
Associate Deputy Secretary ..... Mark R. Policinski

General Counsel ..... Douglas A. Riggs
Deputy General Counsel ..... Robert Brumley

Assistant Secretary for Congressional and Intergovernmental Affairs ..... Paul A. Vander Myde
Deputy Assistant Secretary for Congressional Affairs ..... Gerald J. McKiernan
Deputy Assistant Secretary for Intergovernmental Affairs ..... Mary Ann T. Knauss

Inspector General ..... Sherman M. Funk
Deputy Inspector General ..... Francis D. DeGeorge
Assistant Inspector General for Auditing ..... John R. Szpanka
Assistant Inspector General for Investigations ..... Randolph M. West
Assistant Inspector General for Planning, Evaluation and Inspections ..... Charles M. Hall
Assistant Inspector General for Automated Information Systems ..... John Newell
Assistant Inspector General for Administration ..... James K. Blubaugh

Director, Office of Public Affairs ..... B. Jay Cooper
Deputy Director ..... Anne C. Walker

Director, Office of Consumer Affairs (Acting) ..... Martha S. Yocum

Director, Office of Business Liaison ..... Nancy Olson

Assistant Secretary for Administration ..... Kay Bulow
Deputy Assistant Secretary ..... Otto Wolff
Director, Office of Finance and Federal Assistance ..... Sonya Stewart
Director, Office of Management and Organization ..... Alan P. Balutis
Director for Management and Information Systems ..... Jimmie Brown
Director for Personnel and Civil Rights ..... John M. Golden
Director for Planning, Budget and Evaluation ..... David S. Nathan
Director for Procurement and Administrative Services ..... Hugh L. Brennan

Under Secretary for Economic Affairs ..... Sidney Jones
Chief Economist ..... Robert Ortner
Assistant Secretary for Productivity, Technology and Innovation ..... D. Bruce Merrifield

Director, Bureau of the Census ..... John G. Keane
Deputy Director, Bureau of the Census ..... C. Louis Kincannon

Director, Bureau of Economic Analysis ..... Allan H. Young
Deputy Director, Bureau of Economic Analysis ..... Carol S. Carson
Director, National Technical Information Service ..... Joseph F. Caponio

Assistant Secretary for Economic Development (Acting) ..... Mark R. Policinski
Deputy Assistant Secretary for Economic Development ..... (vacant)

Under Secretary for International Trade ..... Bruce Smart
Deputy Under Secretary ..... J. Michael Farren
Director General of the U.S.
and Foreign Commercial Service (Acting) ..... Paula Unruh
Assistant Secretary
for International Economic Policy ..... Joseph Dennin
Assistant Secretary
for Trade Administration (Acting) ..... William T. Archey
Assistant Secretary for Trade Development ..... H. P. Goldfield

Director, National Bureau of Standards ..... Ernest Ambler
Deputy Director ..... Raymond G. Kammer, Jr.
Director, National Measurement Laboratory ..... Donald R. Johnson
Director, National Engineering Laboratory ..... John W. Lyons
Director, Institute for Computer Sciences
and Technology ..... James H. Burrows
Director, Boulder Laboratories ..... Robert A. Kamper

Commissioner of Patents and Trademarks ..... (vacant)
Deputy Commissioner ..... Donald J. Quigg
Assistant Commissioner for Patents ..... Rene D. Tegtmeyer
Assistant Commissioner for Trademarks ..... Margaret M. Laurence

Assistant Secretary for Communications
and Information ..... David J. Markey
Deputy Assistant Secretary ..... (vacant)

Administrator, National Oceanic and Atmospheric
Administration ..... (vacant)
Deputy Administrator ..... Anthony J. Calio
Associate Administrator ..... James W. Winchester
Assistant Administrator for Oceanic and
Atmospheric Research ..... Joseph Fletcher
Assistant Administrator for Ocean Services
and Coastal Zone Management ..... Paul Wolff
Assistant Administrator for Fisheries ..... William G. Gordon
Assistant Administrator for Environmental Satellite,
Data and Information Services (Acting) ..... William P. Bishop
Assistant Administrator for Weather Services ..... Richard E. Hallgren

Director, Minority Business
Development Agency ..... James H. Richardson Gonzales
Deputy Director ..... Theron J. Bell

Under Secretary for Travel and Tourism ..... Donna Tuttle
Deputy Under Secretary ..... Roger J. Whyte
Assistant Secretary for Tourism Marketing ..... Richard L. Seely

DEPARTMENT OF COMMERCE

Summary of FY 1985 Employment and Financing

	End-of-Year Employment	Budget Authority (in thousands)
Office of the Secretary	1,320	$ 37,183
(Inspector General)	(206)	(13,299)
Bureau of the Census	8,633	166,259
Economic and Statistical Analysis	921	61,982
Economic Development Administration	450	259,110
International Trade Administration	2,893	189,635
Minority Business Development Agency	233	49,580
U.S. Travel & Tourism Administration	72	11,532
National Oceanic & Atmospheric Administration	13,867	1,326,723
Patent and Trademark Office	3,234	100,159
National Bureau of Standards	3,214	123,485
National Telecommunications & Information Administration	313	37,479
Subtotal	35,150	$2,363,127
Offsetting Receipts		(81,799)
TOTAL	35,150	$2,281,328

SECRETARIES OF COMMERCE

Malcolm Baldrige
1/20/81—

Philip M. Klutznick
1/9/80—1/19/81

Juanita M. Kreps
1/23/77—10/31/79

Elliot L. Richardson
2/2/76—1/20/77

Rogers C.B. Morton
5/1/75—2/2/76

Frederick B. Dent
2/2/73—3/26/75

Peter G. Peterson
2/29/72—2/1/73

Maurice H. Stans
1/21/69—2/15/72

C. R. Smith
3/6/68—1/19/69

Alexander B. Trowbridge
6/14/67—3/1/68

John T. Connor
1/18/65—1/31/67

Luther H. Hodges
1/21/61—1/15/65

Frederick H. Mueller
8/10/59—1/19/61

Lewis L. Strauss*
11/13/58—6/30/59

Sinclair Weeks
1/21/53—11/10/58

Charles Sawyer
5/6/48—1/20/53

W. Averell Harriman
10/7/46—4/22/48

Henry A. Wallace
3/2/45—9/20/46

Jesse H. Jones
9/19/40—3/1/45

Harry L. Hopkins
12/24/38—9/18/40

Daniel C. Roper
3/4/33—12/23/38

Roy D. Chapin
8/8/32—3/3/33

Robert P. Lamont
3/5/29—8/7/32

William F. Whiting
8/22/28—3/4/29

Herbert C. Hoover
3/5/21—8/21/28

Joshua W. Alexander
12/16/19—3/4/21

William C. Redfield
3/5/13—10/31/19

* Interim appointee

SECRETARIES OF COMMERCE AND LABOR

Charles Nagel
3/6/09—3/4/13

George B. Cortelyou
2/18/03—6/30/04

Oscar S. Straus
12/17/06—3/5/09

Victor H. Metcalf
7/1/04—12/16/06

* U.S.G.P.O. 1986 -491-097/46845